House Committee Build Back Better Bills

In September 2021, House Committees passed a series of bills to advance the Biden-Harris Administration’s Build Back Better Agenda through budget reconciliation. Below are sample highlights that are relevant to child care facilities and provider capacity.

House Education and Labor Committee

- $450 billion to lower the cost of child care and secure universal pre-K for three- and four-year-olds, including:
  - Creation of a child care quality grant program to improve the quality and supply of child care services. Child care facilities grants as identified as one of five quality child care activities; and
  - Community Development Financial Institutions (CDFIs) are listed as an entity eligible to administer activities on behalf of a state lead agency.
  - $111 billion to lower the cost of higher education by funding two years of tuition-free community college and increasing the value of Pell Grants.
- Nearly $80 billion to expand job training programs, including:
  - $16 billion to support workers dislocated because of the pandemic;
  - $15 billion for adult Workforce Innovation and Opportunity Act programs; and
  - $10 billion for industry and sector partnerships.
- $1.3 billion for AmeriCorps to establish a new Civilian Climate Corps, make adjustments to existing grants, and increase living allowances; and
- Nearly $35 billion to help prevent child hunger by expanding child nutrition programs.

For additional information, see the Education and Labor Committee’s fact sheet.

House Ways and Means Committee

- Provides $15 billion in infrastructure grants to improve child care safety to support the acquisition, construction and renovation of child care facilities; this includes $15 million for grants to experienced intermediaries.
- Establishes a new federal tax credit to encourage the construction and rehabilitation of homes in distressed neighborhoods, as contained in the Neighborhood Homes Investment Act.
- Makes several modifications to the Low Income Housing Tax Credit, including:
  - Increasing the formula for the allocated credits by 60 percent, phased in over the next four years; of which at least 10 percent must be used for projects that designate at least 20 percent of their units to serve extremely low income households;
  - Lowering the 50 percent bond financing threshold to 25 percent;
  - Providing a 50 percent basis boost for certain units serving extremely low income households, for up to 10 percent of the allocated credits and 15 percent of the 4 percent credits.

Contact Nicole Barcliff, NCFN co-chair, at nbarcliff@lisc.org for questions or comments.
- Providing up to a 30 percent basis boost for properties financed with 4 percent Housing Credits;
- Providing up to a 30 percent basis boost for developments in rural communities and Indian areas for buildings placed in service after December 31, 2021;
- Repeal of the qualified contract option for buildings receiving allocations after January 1, 2022; and
- Strengthening language around the Right of First Refusal for nonprofits, and converting it to a purchase option going forward.

• Provides a permanent extension of the New Markets Tax Credit (NMTC) at $5 billion in annual allocation plus inflation adjustments; and
  - Provides an additional $2 billion of allocation authority for 2022 and $1 billion of additional allocation authority for 2023;
  - Creates a new, permanent additional annual allocation of $175 million for projects in tribal areas or that serve or employ tribe members; and
  - Provides a new, permanent additional allocation of $100 million for low income communities in U.S. territories, 80 percent of which is directed toward projects in Puerto Rico.

For additional information, see the Ways and Means Committee’s summary.

House Small Business Committee

• $1 billion to support an uplift accelerator program and business development academy at Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs);
• $1 billion to establish a national network of business incubators;
• $9.5 billion to provide patient capital to underserved markets and small manufacturers under the Small Business Investment Company program;
• $600 million to enhance, improve, and expand the Small Business Administration’s Community Advantage program;
• $4.4 billion to fund a direct loan product under the current 7(a) lending program;
• $2.746 billion to establish a direct lending subprogram under the 504 CDC lending program to allow community development corporations (CDCs) to make loans to small contractors, small manufacturers, and small businesses in underrepresented markets; and
• Over $100 million to invest in entrepreneurial training initiatives for the formerly incarcerated.

For additional information, see the Small Business Committee’s summary memo.