

# Calendar No. 163

118TH CONGRESS  
1ST SESSION

# S. 673

To allow nonprofit child care providers to participate in certain loan programs of the Small Business Administration, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 7, 2023

Ms. ROSEN (for herself, Ms. ERNST, Ms. DUCKWORTH, Mr. RUBIO, and Mr. RISCH) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

JULY 25, 2023

Reported by Mr. CARDIN, without amendment

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## A BILL

To allow nonprofit child care providers to participate in certain loan programs of the Small Business Administration, 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 “Small Business Child  
5 Care Investment Act”.

1 **SEC. 2. SMALL BUSINESS LOANS FOR NONPROFIT CHILD**  
 2 **CARE PROVIDERS.**

3 (a) IN GENERAL.—Section 3(a) of the Small Busi-  
 4 ness Act (15 U.S.C. 632(a)) is amended by adding at the  
 5 end the following:

6 “(10) NONPROFIT CHILD CARE PROVIDERS.—

7 “(A) DEFINITION.—In this paragraph, the  
 8 term ‘covered nonprofit child care provider’  
 9 means an organization—

10 “(i) that—

11 “(I) is in compliance with licens-  
 12 ing requirements for child care pro-  
 13 viders of the State in which the orga-  
 14 nization is located;

15 “(II) is described in section  
 16 501(c)(3) of the Internal Revenue  
 17 Code of 1986 and exempt from tax  
 18 under section 501(a) of such Code;

19 “(III) is primarily engaged in  
 20 providing child care for children from  
 21 birth to compulsory school age; and

22 “(IV) is in compliance with the  
 23 size standards established under this  
 24 subsection for business concerns in  
 25 the applicable industry;

1           “(ii) for which each employee and reg-  
2 ular volunteer complies with the criminal  
3 background check requirements under sec-  
4 tion 658H(b) of the Child Care and Devel-  
5 opment Block Grant Act of 1990 (42  
6 U.S.C. 9858f(b));

7           “(iii) that may—

8                 “(I) provide care for school-age  
9 children outside of school hours or  
10 outside of the school year; or

11                 “(II) offer preschool or pre-  
12 kindergarten educational programs;  
13 and

14           “(iv) subject to any exemption under  
15 Federal law applicable to the organization,  
16 that certifies to the Administrator that the  
17 organization will not discriminate in any  
18 business practice, including providing serv-  
19 ices to the public, on the basis of race,  
20 color, religion, sex, sexual orientation, mar-  
21 ital status, age, disability, or national ori-  
22 gin.

23           “(B) ELIGIBILITY FOR CERTAIN LOAN  
24 PROGRAMS.—

1           “(i) IN GENERAL.—Notwithstanding  
2           any other provision of this subsection, a  
3           covered nonprofit child care provider shall  
4           be deemed to be a small business concern  
5           for purposes of loans under section 7(a) of  
6           this Act or financing under title V of the  
7           Small Business Investment Act of 1958  
8           (15 U.S.C. 695 et seq.).

9           “(ii) LOAN GUARANTEE.—A covered  
10          nonprofit child care center provider—

11                 “(I) shall obtain a guarantee of  
12                 timely payment of the loan or financ-  
13                 ing from another person or entity to  
14                 be eligible for a loan or financing of  
15                 more than \$500,000 under the au-  
16                 thority under clause (i); and

17                 “(II) shall not be required to ob-  
18                 tain a guarantee of timely payment of  
19                 the loan or financing to be eligible for  
20                 a loan or financing that is not more  
21                 than \$500,000 under the authority  
22                 under clause (i).

23           “(C) LIMITATION ON BASIS FOR INELIGI-  
24          BILITY.—The Administrator may not determine  
25          that a covered nonprofit child care center pro-

1           vider is not eligible for a loan or financing de-  
2           scribed in subparagraph (B)(i) on the basis that  
3           the proceeds of the loan or financing will be  
4           used for a religious activity protected under the  
5           First Amendment to the Constitution of the  
6           United States, as interpreted by the courts of  
7           the United States.”.

8           (b) REPORTING.—

9           (1) DEFINITION.—In this subsection, the term  
10          “covered nonprofit child care provider” has the  
11          meaning given the term in paragraph (10) of section  
12          3(a) of the Small Business Act (15 U.S.C. 632(a)),  
13          as added by subsection (a).

14          (2) REQUIREMENT.—Not later than 1 year  
15          after the date of enactment of this Act, and annually  
16          thereafter, the Administrator of the Small Business  
17          Administration shall submit to Congress a report  
18          that contains—

19                (A) for the year covered by the report—

20                   (i) the number of loans made under  
21                   section 7(a) of the Small Business Act (15  
22                   U.S.C. 636(a)) and the number of  
23                   financings provided under title V of the  
24                   Small Business Investment Act of 1958

1 (15 U.S.C. 695 et seq.) to covered non-  
2 profit child care providers; and

3 (ii) the amount of such loans made  
4 and the amount of such financings pro-  
5 vided to covered nonprofit child care pro-  
6 viders; and

7 (B) any other information determined rel-  
8 evant by the Administrator.



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