



# CHIPS Act and Childcare:

## Key Facts for Manufacturing and Plant Construction Applicants

### Background

The CHIPS and Science Act (CHIPS Act) is a new bipartisan law designed to increase domestic production of semiconductors to reestablish the technological leadership of the United States and promote economic and national security. To achieve these goals, the CHIPS Act includes \$39 billion in funding to construct and operate new semiconductor manufacturing facilities and facilities in the semiconductor ecosystem across the country. Applications are now available via the U.S. Department of Commerce (Commerce).<sup>1</sup>

### Childcare: A New Requirement

A key application requirement to build and/or operate a CHIPS-funded project is that businesses must create a workforce plan designed to “develop and maintain a highly skilled, diverse workforce inclusive of economically disadvantaged workers.” Within the plan, applicants must show *how employers will ensure access to childcare for plant and construction workers*. As noted within the application requirements, childcare is “critical to expanding employment opportunities for economically disadvantaged individuals, including economically disadvantaged women.”

Providing access to childcare is a new consideration for many employers, including those seeking funds to construct and operate semiconductor plants. Included below are resources developed for the business community and applicable to any employer looking to support working parents, including those planning to apply for federal funds to construct and operate a semiconductor facility.

### Key Details

- Applicants requesting CHIPS funding over \$150 million *must* include plans to provide access to affordable, accessible, reliable, and high-quality childcare to employees constructing the facilities as well as long-term employees;
- Applicants requesting less than \$150 million are “very strongly encouraged” to show their plan, to the best of their ability, for access to affordable, accessible, reliable and high-quality childcare that is responsive to their community’s needs.
- Plans must provide access through on-or near-site childcare, pre-arranged agreements with existing childcare providers, childcare subsidies, or other similar measures.
- CHIPS-related childcare openings (often referred to as a ‘slot’) must supplement, rather than take the place of the existing slots in a community or region.

Applicants are encouraged to work with communities (governments, childcare administrators, etc.) when developing their plans. Plans must meet their employees’ needs, including extended hours if necessary, and “regional market demands.” Those needs may vary between facility and construction workers. Applicants can create one cohesive plan or address construction workers and facility workers separately.

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<sup>1</sup> Sources: CHIPS Act Fact Sheet, Building a Skilled and Diverse Workforce Fact Sheet, National Institutes of Standards of Technology, U.S. Department of Commerce (2023).

# Employer Resources and Actions

Childcare challenges are complex and multifaceted, and solutions require a comprehensive approach from all impacted stakeholders. While the U.S. Chamber of Commerce does not support this government mandate, the Chamber and the Chamber Foundation have supported the business community for a number of years as employers have increasingly engaged in community-level childcare partnerships and solutions and remain committed to assisting employers in navigating these new requirements.

Childcare is a [two-generation workforce issue](#) — essential in supporting the workforce of today and crucial in developing the workforce of tomorrow.

To guide senior business leaders through the childcare supports available for their employees with children, the U.S. Chamber Foundation released [The Employer Roadmap: Childcare Solutions for Working Parents](#). The Roadmap takes a step-by-step look at everything from implementing a “flexible hours” policy for employees to childcare subsidies or on-site childcare.

The Department of Commerce guidance on childcare encourages employers to use existing state and federal tax credits to meet this new requirement. Last year, the U.S. Chamber released the [Employer Guide to Childcare Assistance and Tax Credits](#), which provides detailed information on childcare tax credits and benefits options and gives employers four things they can do to help their employees with childcare.

A major component of creating quality, sustainable childcare solutions is engagement and communication with the whole community. The Chamber Foundation’s brief [Equity in Childcare is Everyone’s Business](#) provides a toolkit for ways the broader business community can support childcare providers.

## How to Learn More

For more information, [visit our website](#) and contact:

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## U.S. Department of Commerce Definitions

- **Affordable:** costs are within reach for low- and medium-income households.
- **Accessible:** at a convenient location with hours [such as extended hours] that meet workers’ needs.
- **Reliable:** granting workers confidence they will not need to miss work for unexpected childcare issues.
- **High-Quality:** providing a safe and healthy environment that families can trust and that nurtures the healthy growth and development of children.

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The responsibility for solving this issue cannot and should not be placed solely on employers, but the U.S. Chamber of Commerce and U.S. Chamber Foundation are focused on helping businesses comply with new childcare requirements and will continue to provide support and guidance on this matter as employers navigate these requirements.