

119TH CONGRESS
1ST SESSION

S. 2828

To amend the Child Care and Development Block Grant Act of 1990 to reauthorize and update the Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17 (legislative day, SEPTEMBER 16), 2025

Mrs. FISCHER (for herself, Mrs. GILLIBRAND, Ms. COLLINS, and Mr. HICKENLOOPER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Child Care and Development Block Grant Act of 1990 to reauthorize and update the Act, 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 “Child Care Moderniza-
5 tion Act of 2025”.

6 **SEC. 2. PURPOSES.**

7 (a) REDESIGNATION.—Section 658A of the Child
8 Care and Development Block Grant Act of 1990 (42
9 U.S.C. 9857) is redesignated as section 658 of such Act.

1 (b) AMENDMENT.—Subsection (b) of that section 658
2 is amended to read as follows:

3 “(b) PURPOSES.—The purposes of this subchapter
4 are—

5 “(1) to allow each State maximum flexibility in
6 developing and implementing a mixed delivery sys-
7 tem to provide child care that best suits the needs
8 of children and working parents within that State;

9 “(2) to promote parental choice to empower
10 working parents to make their own decisions regard-
11 ing the child care services that best suit their fam-
12 ily’s needs;

13 “(3) to encourage States to provide consumer
14 education information to help parents make in-
15 formed choices about child care services and to pro-
16 mote involvement by parents and family members in
17 the development of their children in child care set-
18 tings;

19 “(4) to assist States in delivering high-quality,
20 coordinated child care services to maximize parents’
21 options to cover the full workday and full work year,
22 to support continuity of care for children, and to
23 support parents trying to achieve independence from
24 public assistance;

1 “(5) to assist States in improving the overall
 2 quality of child care by implementing the health,
 3 safety, licensing, early learning and development,
 4 professional, and oversight standards established in
 5 this subchapter and in State law (including State
 6 regulations);

7 “(6) to assist States—

8 “(A) in supporting the educational and
 9 professional development of child care staff; and

10 “(B) in supporting child care providers in
 11 the recruitment of, professional development
 12 for, and retention of a qualified child care work-
 13 force; and

14 “(7) to increase the number and percentage of
 15 low-income children in high-quality child care set-
 16 tings.”.

17 **SEC. 3. DEFINITIONS.**

18 (a) IN GENERAL.—Section 658P of the Child Care
 19 and Development Block Grant Act of 1990 (42 U.S.C.
 20 9858n) is amended—

21 (1) by redesignating paragraphs (5) through
 22 (7), (8) and (9), and (10) through (15), as para-
 23 graphs (6) through (8), (10) and (11), and (13)
 24 through (18), respectively;

25 (2) in paragraph (3)—

1 (A) in subparagraph (B), by inserting
 2 “and” at the end;

3 (B) in subparagraph (C), by striking “;
 4 and” at the end and inserting a period; and

5 (C) by striking subparagraph (D);

6 (3) by striking paragraph (4) and inserting the
 7 following:

8 “(4) ELIGIBLE ACTIVITY.—The term ‘eligible
 9 activity’, means an activity consisting of—

10 “(A) full-time or part-time employment;

11 “(B) self-employment;

12 “(C) job search activities;

13 “(D) job training;

14 “(E) secondary, postsecondary, or adult
 15 education, including education through a pro-
 16 gram of high school classes, a course of study
 17 at an institution of higher education, classes to-
 18 wards an equivalent of a high school diploma
 19 recognized by State law, or English as a second
 20 language classes;

21 “(F) health treatment (including mental
 22 health and substance use treatment) for a con-
 23 dition that prevents the parent involved from
 24 participating in other eligible activities;

1 “(G) activities to prevent child abuse or
2 neglect, or family violence prevention or inter-
3 vention activities;

4 “(H) employment and training activities
5 under the employment and training program, of
6 the supplemental nutrition assistance program,
7 established under section 6(d)(4) of the Food
8 and Nutrition Act of 2008 (7 U.S.C.
9 2015(d)(4));

10 “(I) employment and training activities
11 under the Workforce Innovation and Oppor-
12 tunity Act (29 U.S.C. 3101 et seq.);

13 “(J) a work activity described in sub-
14 section (d) of section 407 of the Social Security
15 Act (42 U.S.C. 607) for which, consistent with
16 clauses (ii) and (iii) of section 402(a)(1)(A) of
17 such Act (42 U.S.C. 602(a)(1)(A)), a parent is
18 treated as being engaged in work for a month
19 in a fiscal year for purposes of the program of
20 block grants to States for temporary assistance
21 for needy families established under part A of
22 title IV of the Social Security Act (42 U.S.C.
23 601 et seq.); or

24 “(K) taking leave under the Family and
25 Medical Leave Act of 1993 (29 U.S.C. 2601 et

1 seq.) (or equivalent provisions for Federal em-
 2 ployees), a State or local paid or unpaid leave
 3 law, or a program of employer-provided leave.

4 “(5) ELIGIBLE CHILD.—The term ‘eligible
 5 child’ means an individual—

6 “(A) who is less than 13 years of age;

7 “(B)(i) whose family income does not ex-
 8 ceed—

9 “(I) 85 percent of the State median
 10 income for a family of the same size; or

11 “(II) a higher percentage of that in-
 12 come in a State with a waiver under sec-
 13 tion 658I(c)(1)(B); and

14 “(ii) whose family assets do not exceed
 15 \$1,000,000 (as certified by a member of such
 16 family); and

17 “(C) who—

18 “(i) resides with a parent or parents
 19 who are participating in an eligible activ-
 20 ity;

21 “(ii) is a child experiencing homeless-
 22 ness, a child in kinship care, or a child who
 23 is receiving, or needs to receive, child pro-
 24 tective services; or

1 “(iii) resides with a parent who is
2 more than 65 years of age.”;

3 (4) in paragraph (7), as so redesignated—

4 (A) in subparagraph (A), by striking “or”
5 at the end;

6 (B) in subparagraph (B), by striking the
7 period at the end and inserting “; or”;

8 (C) by added at the end the following:

9 “(C) notwithstanding section 645(a)(1)(B)
10 of the Head Start Act (42 U.S.C.
11 9840(a)(1)(B)), a Head Start agency.”; and

12 (D) by adding at the end the following
13 flush sentence:

14 “Notwithstanding subparagraph (B), a licensed, reg-
15 ulated, or registered child care provider (or a staff
16 member of the child care provider) who is otherwise
17 eligible for assistance under this Act shall continue
18 to be eligible for such assistance for the care of chil-
19 dren for whom the provider is the legal parent if
20 other eligible children with respect to whom such
21 provider is not the legal parent are also being cared
22 for by that provider.”;

23 (5) by striking paragraph (8), as so redesign-
24 nated, and inserting the following:

1 “(8) FAMILY CHILD CARE PROVIDER.—The
 2 term ‘family child care provider’ means an individual
 3 who provides child care services in a private resi-
 4 dence—

5 “(A) for fewer than 24 hours per day per
 6 child; or

7 “(B) for 24 hours per day per child due to
 8 the nature of the work of the parent involved.

9 “(9) HOMELESS CHILD.—The term ‘homeless
 10 child’ means an individual described in section
 11 725(2) of the McKinney-Vento Homeless Assistance
 12 Act (42 U.S.C. 11434a(2)).”;

13 (6) in paragraph (10), as so redesignated, by
 14 striking “(10)” and all that follows through “mean-
 15 ing” and inserting the following:

16 “(10) INDIAN TRIBE; INDIAN TRIBE.—The term
 17 ‘Indian Tribe’ or ‘Indian tribe’ has the meaning”;

18 (7) by inserting after paragraph (11), as so re-
 19 designated, the following:

20 “(12) MIXED DELIVERY SYSTEM.—The term
 21 ‘mixed delivery system’ means a system of child care
 22 services that—

23 “(A) promotes parental choice to empower
 24 working parents to make their own decisions re-

1 garding the child care services that best suit
2 their family’s needs;

3 “(B) delivers services through a combina-
4 tion of programs offered by eligible child care
5 providers (including faith-based and commu-
6 nity-based child care providers) in a variety of
7 settings (including family child care homes,
8 child care centers, Head Start centers, and pub-
9 lic and private schools); and

10 “(C) may be supported with a combination
11 of public and private funds.”;

12 (8) in paragraph (15), as so redesignated, by
13 striking “unless the context specifies otherwise” and
14 inserting “except as otherwise specified”; and

15 (9) in paragraph (18), as so redesignated, by
16 striking “(18)” and all that follows through “has the
17 meaning” and inserting the following:

18 “(18) TRIBAL ORGANIZATION; TRIBAL ORGANI-
19 ZATION.—

20 “(A) IN GENERAL.—The term ‘Tribal or-
21 ganization’ or ‘tribal organization’ has the
22 meaning”.

23 (b) REDESIGNATION.—The Child Care and Develop-
24 ment Block Grant Act of 1990 (42 U.S.C. 9857 et seq.)
25 is amended—

1 (1) by redesignating section 658P as section
2 658A; and

3 (2) by moving section 658A, as so redesignated,
4 to follow section 658, as redesignated by section 2.

5 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

6 (a) PART.—The Child Care and Development Block
7 Grant Act of 1990 is amended by inserting before section
8 658B the following:

9 **“PART I—CHILD CARE SERVICES”.**

10 (b) IN GENERAL.—Section 658B of the Child Care
11 and Development Block Grant Act of 1990 (42 U.S.C.
12 9858) is amended to read as follows:

13 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

14 “‘There is authorized to be appropriated to carry out
15 this subchapter (other than section 658T) such sums as
16 may be necessary for each of fiscal years 2026 through
17 2030.’”.

18 **SEC. 5. LEAD AGENCY.**

19 Section 658D(b) of the Child Care and Development
20 Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amend-
21 ed by striking paragraph (2) and inserting the following:

22 “(2) DEVELOPMENT OF PLAN.—The lead agen-
23 cy shall develop the State plan described in para-
24 graph (1)(B) in meaningful consultation with—

1 “(A) parents of children eligible for serv-
 2 ices under this subchapter, which shall include
 3 parents of children in a priority population de-
 4 scribed in section 658E(c)(2)(M);

5 “(B) eligible child care providers that rep-
 6 resent the various geographic areas and types
 7 of providers in the State;

8 “(C) employers of various sizes and with
 9 various hours and days of operations whose em-
 10 ployees rely on reliable and accessible child care
 11 to work; and

12 “(D) appropriate representatives of units
 13 of general purpose local government and, as ap-
 14 propriate, of Indian Tribes and Tribal organiza-
 15 tions.”.

16 **SEC. 6. APPLICATION AND PLAN.**

17 Section 658E(c) of the Child Care and Development
 18 Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amend-
 19 ed—

20 (1) in paragraph (2)—

21 (A) in subparagraph (A)(i)(I), by striking
 22 “a child” and inserting “an eligible child”;

23 (B) in subparagraph (D), by striking “,
 24 not later” and all that follows through “sub-
 25 paragraph (K)(i),”;

1 (C) in subparagraph (E)(i)—

2 (i) in the matter preceding subclause
3 (I), by inserting “, offered through a mixed
4 delivery system,” after “full diversity of
5 child care services”;

6 (ii) in subclause (I), by inserting “(in-
7 cluding information on the hours and days
8 of operation and ages served)” after “of
9 child care services”; and

10 (iii) in subclause (IV)—

11 (I) by striking “and” before “the
12 Medicaid”; and

13 (II) by inserting before the semi-
14 colon the following: “, and the Mater-
15 nal, Infant, and Early Childhood
16 Home Visiting Programs under sec-
17 tion 511 of the Social Security Act
18 (42 U.S.C. 711)”;

19 (D) in subparagraph (G)—

20 (i) in the subparagraph heading, by
21 striking “TRAINING AND PROFESSIONAL”
22 and inserting “PROFESSIONAL”;

23 (ii) in clause (i) and clause (ii) (in the
24 matter preceding subclause (I)), by strik-

ing “training and” before “professional development”;

(iii) in clause (ii)(II), by striking “, and may engage” and all that follows through “training framework”; and

(iv) in clause (iii), by striking “training” and inserting “professional development”;

(E) in subparagraph (I)(i)(IX), by striking “if applicable,”;

(F) in subparagraph (J)—

(i) by striking “that procedures” and inserting the following: “that—

“(i) procedures”;

(ii) by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(ii) the State will undertake a review of State and local health and safety requirements (including requirements for inspections under this subchapter and the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42

U.S.C. 1766)) to determine redundancies
and oversights that may exist, to ensure—

“(I) children receive child care
services in healthy and safe environ-
ments; and

“(II) child care providers can
easily identify, understand, and com-
ply with applicable health and safety
requirements.”;

(G) in subparagraph (K)(i)—

(i) in the matter preceding subclause
(I), by striking “, not later” and all that
follows through “2014,”; and

(ii) in subclause (IV), by striking
“section 658P(6)(B)” and inserting “sec-
tion 658A(7)(B)”;

(H) in subparagraph (M)—

(i) by redesignating clauses (ii)
through (iv) as clauses (iv) through (vi),
respectively;

(ii) by striking clause (i) and inserting
the following:

“(i) children in underserved areas, in-
cluding areas that have significant con-
centrations of poverty or unemployment

1 and that do not have a sufficient supply of
 2 eligible child care providers;

3 “(ii) children experiencing homeless-
 4 ness, children in foster care, children in
 5 kinship care, and children who are receiv-
 6 ing, or need to receive, child protective
 7 services; and

8 “(iii) children in rural areas;”; and

9 (iii) in clause (v), as so redesignated,
 10 by striking “, as defined by the State”;

11 (I) in subparagraph (N)(iii), by striking
 12 “At the option of the State, the” and inserting
 13 “The”;

14 (J) in subparagraph (O)(i), by striking
 15 “full-day services” and inserting “full workday
 16 and full work year services”;

17 (K) in subparagraph (S)(ii), by striking “,
 18 to the extent” and all that follows through
 19 “fixed costs” and inserting “implement enroll-
 20 ment and eligibility policies that support the
 21 fixed and operational costs”;

22 (L) in subparagraph (T)(i), by striking “or
 23 implement” and all that follows through “of
 24 2014)” and inserting “and implement develop-
 25 mental guidelines”;

1 (M) in subparagraph (U)—

2 (i) in clause (ii), by inserting “State
3 and local health agencies,” after “licensing
4 of child care providers,”; and

5 (ii) in clause (iii)(II), by striking “fol-
6 lowing the emergency or disaster, which
7 may include” and inserting “during and
8 following the emergency or disaster, which
9 shall include guidelines for”;

10 (N) in subparagraph (V), by striking “de-
11 velop” and all that follow through “services.”
12 and inserting “support child care business tech-
13 nical assistance including supporting—

14 “(i) provision of strategies to support
15 management coaching and the use of core
16 best business practices;

17 “(ii) development and use of shared
18 services initiatives including initiatives in-
19 volving provider networks such as child
20 care center alliances and family child care
21 provider networks; and

22 “(iii) coordination of activities with
23 programs of the Small Business Adminis-
24 tration, programs of the Department of
25 Agriculture, and other Federal, State, and

1 local programs supporting child care busi-
 2 nesses.”; and

3 (O) by adding at the end the following:

4 “(W) BENCHMARKS.—The plan shall in-
 5 clude benchmarks for the indicators described
 6 in the clauses of section 658K(a)(3)(B).”;

7 (2) in paragraph (3)—

8 (A) in subparagraph (B)(ii), by striking
 9 “Not later” and all that follows through “shall
 10 prepare” and inserting “Not later than Sep-
 11 tember 30 of each fiscal year, the Secretary
 12 shall prepare”; and

13 (B) in subparagraph (D)—

14 (i) by striking “with respect to” and
 15 all that follows through “2020” and insert-
 16 ing “with respect to each fiscal year”; and

17 (ii) by striking “described in clause
 18 (i), (ii), (iii), or (iv) of” and inserting “in
 19 priority populations described in”;

20 (3) in paragraph (4)—

21 (A) by striking subparagraphs (A) and (B)
 22 and inserting the following:

23 “(A) IN GENERAL.—The State plan shall
 24 certify that, not later than the later of the date
 25 that is 5 years after the date of submission of

the application, and September 30, 2031, payment rates for the provision of child care services for which assistance is provided in accordance with this subchapter—

“(i) will be sufficient to meet the cost of providing the child care services, including the fixed and operational costs of providing the child care services; and

“(ii) will be set and paid in accordance with a cost estimation model described in subparagraph (B).

“(B) COST ESTIMATION MODEL.—The State plan shall—

“(i) demonstrate that the State, after consulting with eligible child care providers that represent the various geographic areas of the State and types of providers within the State’s mixed delivery system, State and local child care program administrators, local child care resource and referral agencies, and other appropriate entities, has developed and uses (or if the State has not used such a model certify that the State, after such consultation but not later than the later of the date that is 5 years

1 after the date of submission of the applica-
2 tion described in subsection (a), and Sep-
3 tember 30, 2031, will develop and use) a
4 statistically valid and reliable cost esti-
5 mation model for the direct payment rates
6 for providers of child care services in the
7 State, that—

8 “(I) reflects the costs of service
9 delivery, including fixed costs and op-
10 erating expenses;

11 “(II) reflects the cost of staff sal-
12 aries and benefits necessary to suffi-
13 ciently recruit, train, and retain a
14 qualified child care workforce;

15 “(III) reflects variations in the
16 costs of service delivery by submarket,
17 type of provider, and children served,
18 including by—

19 “(aa) geographic area (such
20 as location in a urban or rural
21 area);

22 “(bb) ages of children;

23 “(cc) whether the children
24 have particular needs (such as
25 needs of children with disabilities

1 and children served by child pro-
2 tective services);

3 “(dd) whether the providers
4 provide services during weekend
5 and other nontraditional hours;
6 and

7 “(ee) quality of child care
8 provider as determined by the
9 State; and

10 “(IV) is reviewed once every 2
11 years and adjusted to—

12 “(aa) ensure payment rates
13 remain sufficient to meet the re-
14 quirements of this subchapter;
15 and

16 “(bb) provide a cost of living
17 increase to maintain the level of
18 services provided during the year
19 prior to the review; and

20 “(ii) describe how the State will pro-
21 vide for timely payments, set in accordance
22 with the model described in clause (i), for
23 child care services provided under this sub-
24 chapter.”;

25 (B) in subparagraph (C)—

1 (i) by striking clause (ii); and

2 (ii) by striking “(C)” and all that fol-
3 lows through “Nothing” and inserting the
4 following:

5 “(C) CONSTRUCTION.—Nothing”; and

6 (C) by adding at the end the following:

7 “(D) NO FEDERAL CONTROL.—The Sec-
8 retary may offer guidance to States on cost es-
9 timation models described in subparagraph (B),
10 but shall not require a State to adopt a par-
11 ticular cost estimation model or an element of
12 a particular cost estimation model (except that
13 the model shall meet the requirements of sub-
14 paragraph (B)(i)).”; and

15 (4) by striking paragraph (5) and inserting the
16 following:

17 “(5) SLIDING FEE SCALE.—The State plan
18 shall provide that the State will establish and peri-
19 odically revise by rule a sliding fee scale to deter-
20 mine a full copayment for a family receiving assist-
21 ance under this subchapter (or, for a family receiv-
22 ing part-time care, a reduced copayment that is an
23 appropriate amount of the full copayment) and that
24 is not a barrier that restricts families from accessing
25 child care services under this subchapter.”.

1 **SEC. 7. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD**
 2 **CARE.**

3 Section 658G(a) of the Child Care and Development
 4 Block Grant Act of 1990 (42 U.S.C. 9858e(a))—

5 (1) in paragraph (1), by adding at the end the
 6 following: “The State shall include, in the State’s ac-
 7 tivities, developing and expanding initiatives to assist
 8 child care providers in their efforts to recruit, train,
 9 and retain a qualified child care workforce.”; and

10 (2) in paragraph (2)—

11 (A) by striking subparagraph (A) and in-
 12 serting the following:

13 “(A) to carry out the activities described in
 14 paragraph (1), not less than 9 percent of the
 15 funds described in paragraph (1) for each fiscal
 16 year; and”; and

17 (B) in subparagraph (B), by striking “re-
 18 ceived not later” and all that follows through
 19 “succeeding full fiscal year” and inserting “re-
 20 ceived for each fiscal year”.

21 **SEC. 8. WAIVERS OF INCOME REQUIREMENT.**

22 Section 658I(c) of the Child Care and Development
 23 Block Grant Act of 1990 (42 U.S.C. 9858g(c)) is amend-
 24 ed—

25 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph
 2 (A), by striking “of not more than three years”
 3 and inserting “described in paragraph (5)”;

4 (B) in subparagraph (A), by striking “(A)”
 5 and inserting “(A)(i)”;

6 (C) in subparagraph (B), by striking
 7 “(B)” and inserting the following:

8 “(ii)”;

9 (D) in subparagraph (C), by striking
 10 “(C)” and inserting the following:

11 “(iii)”;

12 (E) in subparagraph (D)—

13 (i) by striking “(D)” and inserting the
 14 following:

15 “(iv)”;

16 (ii) in clause (iv), as so redesignated,
 17 by striking the period and inserting “; or”;
 18 and

19 (F) by adding at the end the following:

20 “(B) the State, on the date of the request,
 21 has a maximum income standard that meets
 22 section 658A(5)(B)(i), and requests the waiver
 23 to raise that standard.”;

24 (2) in paragraph (2)—

1 (A) in subparagraph (B), by striking
2 “and” at the end;

3 (B) in subparagraph (C), by striking the
4 period and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(D) if the State seeks a waiver of section
7 658A(5)(B)(i)(I) under paragraph (1)(B) in-
8 clude—

9 “(i) the maximum income standard
10 that the State wishes to use;

11 “(ii) such information as determined
12 necessary by the Secretary to demonstrate
13 that the State is serving all eligible chil-
14 dren to the best of the State’s ability below
15 the maximum income standard in that sec-
16 tion, and will continue to prioritize and
17 serve all eligible children below the max-
18 imum income standard if a waiver under
19 paragraph (1)(B) should be approved;

20 “(iii) information demonstrating that
21 the State is meeting the requirements of
22 the State plan under section 658E(c), par-
23 ticularly the requirements of subpara-
24 graphs (M) and (Q) of paragraph (2) of
25 that section; and

1 “(iv) information demonstrating that
 2 the payment rates described in that section
 3 are set and paid in accordance with a cost
 4 estimation model described in section
 5 658E(c)(4)(B).”;

6 (3) in paragraph (7)—

7 (A) by striking “The Secretary may” and
 8 inserting the following:

9 “(A) GENERAL RENEWALS.—The Sec-
 10 retary may”;

11 (B) in the first sentence, by inserting be-
 12 fore the period the following: “, in the case of
 13 a request for a waiver of a provision other than
 14 section 658A(5)(B)(i)(I)”;

15 (C) in the second sentence, by striking
 16 “seeking to renew their waiver approval” and
 17 inserting “seeking that renewal”;

18 (D) in the third sentence, by striking “ex-
 19 tension request” and inserting “renewal re-
 20 quest”; and

21 (E) by adding at the end the following:

22 “(B) RENEWALS OF INCOME REQUIRE-
 23 MENT WAIVERS.—A State may seek a renewal,
 24 of an existing waiver of section
 25 658A(5)(B)(i)(I) under paragraph (1)(B) (in-

cluding a previously renewed waiver), for a period no longer than 3 years. A State seeking that renewal shall inform the Secretary of this intent no later than 30 days prior to the expiration date of the waiver. The State shall re-certify in its renewal request the provisions in paragraph (2). On determining that the State has accurately re-certified those provision, the Secretary shall grant the renewal.”; and

(4) in paragraph (8)—

(A) by inserting “, other than paragraph (1)(B),” after “this subchapter” each place the term appears; and

(B) by adding at the end the following:
 “Nothing in this subsection, including paragraph (1)(B), shall be construed to permit a State to deny or limit access to, or increase co-payments, as a direct result of obtaining this waiver, for child care services under this subchapter to any eligible child whose family income is below the maximum income standard described in paragraph (1)(B) and whose family assets are less than the asset limit described in section 658A(5)(B)(ii).”.

1 **SEC. 9. REPORTS AND AUDITS.**

2 Section 658K(a) of the Child Care and Development
3 Block Grant Act of 1990 (42 U.S.C. 9858i(a)) is amend-
4 ed—

5 (1) in paragraph (2)—

6 (A) in the matter preceding subparagraph

7 (A)—

8 (i) by striking “Not later than” and
9 all that follows through “a State” and in-
10 serting “A State”; and

11 (ii) by inserting “annually” before
12 “prepare”;

13 (B) in subparagraph (A), by striking “sec-
14 tion 658P(6)” and inserting “section 658A(7)”;
15 and

16 (C) in subparagraph (F), by striking “sec-
17 tion 658P(6)(B)” and inserting “section
18 658A(7)(B)”; and

19 (2) by adding at the end the following:

20 “(3) ADDITIONAL STATE REPORTS.—

21 “(A) INFORMATION ON PERCENTAGE OF
22 INCOME FAMILIES ARE SPENDING ON CHILD
23 CARE.—In addition to the report described in
24 paragraph (2), a State described in paragraph
25 (1)(A) shall, not later than the date that the
26 State submits a State plan under section 658E,

1 prepare and submit to the Secretary a report
2 that includes—

3 “(i) information on—

4 “(I) the percentage of income
5 spent on child care for families that—

6 “(aa) have children that are
7 eligible to receive but are not re-
8 ceiving assistance under this sub-
9 chapter; and

10 “(bb) are residing in the
11 State; and

12 “(II) the child care options that
13 are available to such families at an af-
14 fordable rate; and

15 “(ii) the results of a feasibility study
16 on how, over the next 5 years, the State
17 could—

18 “(I) lower the percentage of the
19 family income, of families described in
20 clause (i), that the families spend on
21 child care copayments; and

22 “(II) increase access to child care
23 so that all eligible children in the
24 State receive child care.

1 “(B) PROGRESS REPORT.—The State
 2 shall, not later than the date that the State
 3 submits a State plan under section 658E, pre-
 4 pare and submit to the Secretary a report that
 5 includes an analysis of the progress the State
 6 has made over the preceding 10 years, on
 7 benchmarks described in the State plan under
 8 section 658E(c)(2)(W), in the child care pro-
 9 gram carried out under this subchapter, relat-
 10 ing to indicators consisting of—

11 “(i) child and family eligibility and en-
 12 rollment;

13 “(ii) affordability of child care for
 14 families with an eligible child;

15 “(iii) expansion of parental choice and
 16 equal access;

17 “(iv) payment rates and payment
 18 practices;

19 “(v) recruiting and retaining a skilled,
 20 qualified, and appropriately compensated
 21 child care workforce;

22 “(vi) quality improvement activities;

23 “(vii) lead agency coordination and
 24 partnership;

1 “(viii) family outreach and consumer
2 education; and

3 “(ix) program integrity and account-
4 ability.

5 “(C) REPORTS TO CONGRESS.—The Sec-
6 retary shall submit a report to the Committee
7 on Health, Education, Labor, and Pensions of
8 the Senate and the Committee on Education
9 and Workforce of the House of Representatives
10 on the information reported to the Secretary by
11 States as described in subparagraphs (A) and
12 (B).”.

13 **SEC. 10. REPORTS, HOTLINE, AND WEBSITE.**

14 Section 658L(a) of the Child Care and Development
15 Block Grant Act of 1990 (42 U.S.C. 9858j(a)) is amended
16 by striking “Not later” and all that follows through “the
17 Secretary shall” and inserting “The Secretary shall bien-
18 nially”.

19 **SEC. 11. TECHNICAL AMENDMENTS.**

20 Section 658O(a) of the Child Care and Development
21 Block Grant Act of 1990 (42 U.S.C. 9858m(a)) is amend-
22 ed—

23 (1) in paragraphs (1), (3), and (4) by striking
24 “this subchapter” and inserting “section 658B”;
25 and

1 (2) in paragraph (5) by striking “this sub-
 2 chapter” the first place it appears and inserting
 3 “section 658B”.

4 **SEC. 12. CHILD CARE SUPPLY AND FACILITIES GRANTS.**

5 The Child Care and Development Block Grant Act
 6 of 1990 (42 U.S.C. 9857 et seq.) is amended by adding
 7 at the end the following:

8 **“PART II—CHILD CARE SUPPLY AND FACILITIES**

9 **“SEC. 658T. CHILD CARE SUPPLY AND FACILITIES GRANTS.**

10 “(a) PURPOSES.—The purposes of this section are to
 11 provide grants to States, territories described in section
 12 658O(a)(1) (referred to individually in this part as a ‘ter-
 13 ritory’), Indian Tribes, and Tribal organization to—

14 “(1) expand the supply and capacity of quali-
 15 fied child care providers and staff so that working
 16 parents have multiple high-quality child care options
 17 to choose from in making their own decisions re-
 18 garding the child care services that best suit their
 19 family’s needs; and

20 “(2) ensure child care facilities are designed
 21 and equipped to keep children healthy and safe and
 22 to enhance children’s physical, cognitive, and behav-
 23 ioral development.

24 “(b) QUALIFIED CHILD CARE PROVIDER.—In this
 25 section, the term ‘qualified child care provider’ means—

1 “(1) an eligible child care provider as defined in
 2 section 658A(7)(A) that is providing, or seeking to
 3 provide, child care services to children eligible for
 4 services under this subchapter; or

5 “(2) a child care provider that has applied
 6 under this subchapter to become an eligible child
 7 care provider as defined in section 658A(7)(A) and
 8 that commits to provide child care services to chil-
 9 dren eligible for services under this subchapter.

10 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
 11 is authorized to be appropriated to carry out this section
 12 such sums as may be necessary for each of fiscal years
 13 2027 through 2030.

14 “(d) GRANTS AUTHORIZED; ALLOTMENTS.—

15 “(1) IN GENERAL.—From funds made available
 16 under subsection (c), the Secretary shall make
 17 grants to States, territories, Indian Tribes, and
 18 Tribal organizations to carry out the activities de-
 19 scribed in subsection (f).

20 “(2) RESERVATION.—The Secretary shall re-
 21 serve not more than 1 percent of the amount appro-
 22 priated under subsection (c) for a fiscal year to
 23 carry out this section to pay for the costs of the
 24 Federal administration of this section.

1 “(3) ALLOTMENTS.—From the amount appro-
2 priated to carry out this section for a fiscal year
3 that remains after the Secretary makes the reserva-
4 tion under paragraph (2), the Secretary shall award
5 to each lead agency with an approved plan under
6 subsection (e), a child care supply and facilities
7 grant in accordance with paragraphs (1) and (2) of
8 subsection (a), and subsection (b), of section 6580,
9 for the grants authorized under paragraph (1). A
10 grant made under this paragraph in accordance with
11 paragraph (1) or (2) of that subsection shall be for
12 the purpose of carrying out the program described
13 in this section, consistent, to the extent practicable
14 as determined by the Secretary, with the require-
15 ments applicable to States.

16 “(e) STATE PLAN.—

17 “(1) IN GENERAL.—In order to receive a grant
18 under this section, a State shall submit a plan to the
19 Secretary, at such time and in such manner as the
20 Secretary may reasonably require.

21 “(2) CONTENTS.—Each plan submitted by a
22 State under this section shall include each of the fol-
23 lowing:

1 “(A) A description of how the State will
2 use funds received under this section for State-
3 level activities under subsection (f)(1).

4 “(B) A description of how the State will
5 ensure that qualified child care providers in
6 rural, suburban, and urban areas can readily
7 apply for and access funding under this section,
8 which shall include providing technical assist-
9 ance either directly or through a third party
10 which may include a resource and referral agen-
11 cy or a staffed family child care provider net-
12 work.

13 “(C) A description of how the State will
14 determine the prioritization of subgrants to
15 qualified child care providers in accordance with
16 subsection (f)(5).

17 “(D) An assurance that the State will
18 make available to the public, which shall in-
19 clude, at a minimum, posting to an internet
20 website of the lead agency—

21 “(i) a notice of funding availability
22 through subgrants for qualified child care
23 providers under this section; and

24 “(ii) the criteria for awarding sub-
25 grants for qualified child care providers,

1 including the methodology the lead agency
2 will use to determine the amounts of such
3 subgrants for qualified child care pro-
4 viders.

5 “(E) A determination by the State of the
6 duration of child care services required for
7 qualified child care providers to receive sub-
8 grants under this subchapter.

9 “(f) STATE USE OF FUNDS.—

10 “(1) RESERVATION.—A lead agency that re-
11 ceives a grant under subsection (d) shall reserve not
12 more than 10 percent of the grant funds for State-
13 level activities, consisting of administering subgrants
14 and providing technical assistance and support, for
15 activities supported under this section.

16 “(2) SUBGRANTS.—The lead agency shall use
17 the remainder of the grant funds awarded pursuant
18 to subsection (d) to make subgrants as described in
19 paragraphs (3) and (4).

20 “(3) STARTUP AND SUPPLY EXPANSION SUB-
21 GRANTS.—

22 “(A) IN GENERAL.—The lead agency shall
23 make startup and supply expansion subgrants
24 to qualified child care providers that are pro-

1 viding, or seeking to provide, child care services
2 under this subchapter to eligible children, to—

3 “(i) support the providers in paying
4 for startup and expansion costs;

5 “(ii) assist such providers in meet-
6 ing—

7 “(I) the health and safety re-
8 quirements (including the require-
9 ments referred to in section
10 658E(c)(2)(I)) of the State, territory,
11 Indian Tribe, or local government in-
12 volved, as the case may be;

13 “(II) the child-to-provider ratio
14 standards (including the requirements
15 referred to in section 658E(c)(2)(H))
16 applicable to the provider;

17 “(III) licensing and other regu-
18 latory standards of the State, terri-
19 tory, Indian Tribe, or local govern-
20 ment involved, as the case may be, for
21 child care providers; and

22 “(IV) as applicable, the require-
23 ments of a State’s tiered quality rat-
24 ing system for child care providers;

1 “(iii) establish or expand the oper-
2 ation of community-or neighborhood-based
3 family child care networks; and

4 “(iv) support access to child care serv-
5 ices facing a particular shortage of child
6 care options, including child care services
7 during nontraditional or extended hours,
8 and child care services for children with
9 disabilities (including, for purposes of this
10 clause, a child who has documentation
11 other than an individualized education pro-
12 gram (as defined in section 602 of the In-
13 dividuals with Disabilities Education Act
14 (20 U.S.C. 1401)) establishing the child’s
15 disability (as defined in section 3 of the
16 Americans with Disabilities Act of 1990
17 (42 U.S.C. 12101))).

18 “(B) REQUIREMENT.—As a condition of
19 receiving a startup or supply expansion
20 subgrant under this paragraph, a qualified child
21 care provider shall commit to meeting the re-
22 quirements for an eligible child care provider
23 under this subchapter and to providing child
24 care services under this subchapter to eligible

1 children, on an ongoing basis, as determined by
2 the State.

3 “(4) FACILITIES SUBGRANTS.—

4 “(A) IN GENERAL.—The lead agency shall
5 make facilities subgrants to qualified child care
6 providers that are providing, or seeking to pro-
7 vide, child care services under this subchapter
8 to eligible children, for, notwithstanding section
9 658F(b)—

10 “(i) remodeling, renovation, or repair
11 of a building or facility used for providing
12 direct child care services; and

13 “(ii) construction, permanent improve-
14 ment, or major renovation of a building or
15 facility used for providing direct child care
16 services.

17 “(B) REQUIREMENT.—As a condition of
18 receiving a facilities subgrant under this para-
19 graph, a child care provider shall commit to
20 meeting the requirements for an eligible child
21 care provider under this subchapter and to pro-
22 viding child care services under this subchapter
23 to eligible children on an ongoing basis, as de-
24 termined by the State.

25 “(C) FEDERAL INTEREST.—

1 “(i) FAMILY CHILD CARE HOMES.—
2 Federal law regarding a Federal interest in
3 real property shall not apply to the renova-
4 tion, remodeling, repair, or permanent im-
5 provement of privately owned family child
6 care homes with funds provided under this
7 paragraph, and the Secretary shall develop
8 parameters for the use of such funds for
9 family child care homes.

10 “(ii) RETENTION.—If the Secretary
11 retains a Federal interest in any facility
12 constructed, renovated, remodeled, re-
13 paired, or permanently improved with
14 funds provided under this paragraph, the
15 Secretary shall not retain the Federal in-
16 terest for more than 10 years.

17 “(5) PRIORITY.—In awarding subgrants under
18 paragraphs (3) and (4), the lead agency shall give
19 priority to qualified child care providers providing or
20 seeking to provide child care services to priority pop-
21 ulations of children described in section
22 658E(c)(2)(M).

23 “(g) SUPPLEMENT NOT SUPPLANT.—Amounts made
24 available to carry out this section shall be used to supple-
25 ment and not supplant other Federal, State, and local

1 public funds expended to increase the supply of child care
 2 and to improve child care facilities.

3 “(h) DOCUMENTATION AND REPORTING REQUIRE-
 4 MENTS.—

5 “(1) DOCUMENTATION.—A State receiving a
 6 grant under subsection (d) shall provide documenta-
 7 tion of any State expenditures from grant funds re-
 8 ceived under subsection (d) in accordance with sec-
 9 tion 658K(b), to the independent entity described in
 10 that section.

11 “(2) REPORTS.—

12 “(A) LEAD AGENCY ANNUAL REPORT.—A
 13 lead agency receiving a grant under subsection
 14 (d) shall, not later than 12 months after mak-
 15 ing subgrants from the funds made available
 16 through such grant, and annually for the dura-
 17 tion of the grant, submit a report to the Sec-
 18 retary that includes, for the State involved, a
 19 description of each of the lead agency’s pro-
 20 grams of subgrants carried out to meet the ob-
 21 jectives of this section, including—

22 “(i) the number of eligible child care
 23 providers in operation at the start of the
 24 grant period, and the number of such pro-
 25 viders 11 months later, disaggregated by

1 age of children served, geographic region,
2 and child care setting (including whether
3 the provider was in a center-based or fam-
4 ily child care setting);

5 “(ii) the number of child care slots, in
6 the capacity of eligible child care providers
7 given applicable group size limits and
8 staff-to-child ratios, that were open for at-
9 tendance of children at the start of the
10 grant period and the number of such slots
11 11 months later, disaggregated by age of
12 children served, geographic region, and
13 child care setting (including whether the
14 slot was in a center-based or family child
15 care setting), and each priority population
16 of children described in section
17 658E(c)(2)(M);

18 “(iii)(I) the number and percentage of
19 qualified child care providers that received
20 a subgrant under subsection (f)(3),
21 disaggregated by age of children served,
22 geographic region, and child care setting
23 (including whether the provider was in a
24 center-based or family child care setting),

1 and the average and range of the amounts
2 of the subgrants awarded; and

3 “(II) the number and percentage of
4 qualified child care providers that received
5 a subgrant under subsection (f)(4),
6 disaggregated by age of children served,
7 geographic region, and child care setting
8 (including whether the provider was in a
9 center-based or family child care setting),
10 and the average and range of the amounts
11 of the subgrants awarded; and

12 “(iv) information concerning how
13 qualified child care providers receiving sub-
14 grants under subsection (f)(3) or (f)(4)
15 used the subgrant funding received.

16 “(B) REPORT TO CONGRESS.—The Sec-
17 retary shall transmit annually to the Committee
18 on Health, Education, Labor, and Pensions of
19 the Senate and the Committee on Education
20 and Workforce of the House of Representatives
21 a report that provides national and State-level
22 data for the information collected under sub-
23 paragraph (A).

1 “(i) CONSTRUCTION.—No reference in part 1 to ‘this
2 subchapter’ shall be considered to refer to a provision of
3 this part.”.

4 **SEC. 13. DEPARTMENT OF AGRICULTURE LOAN RESTRIC-**
5 **TIONS.**

6 The Secretary of Agriculture shall revise section
7 3555.102(c) of title 7, Code of Federal Regulations, as
8 in effect on the date of enactment of this Act, to exclude
9 a business that is licensed, regulated, or registered as a
10 child care provider under State law.

○