

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7721

To amend the Child Care and Development Block Grant Act of 1990 to implement an improper payment threshold under such Act.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2026

Mr. GROTHMAN introduced the following bill; which was referred to the Committee on Education and Workforce

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## A BILL

To amend the Child Care and Development Block Grant Act of 1990 to implement an improper payment threshold under such Act.

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 “Combating Regulatory  
5 Abuse, Closing Known Deficiencies, and Overseeing Waste  
6 Nationwide Act” or the “CRACKDOWN Act of 2026”.

7 **SEC. 2. OVERPAYMENT RATE REQUIRING CORRECTIVE AC-**  
8 **TION PLAN; CONDITIONAL INELIGIBILITY.**

9 Section 658J of the Child Care and Development  
10 Block Grant Act of 1990 (42 U.S.C. 9858h) is amended—

1           (1) by redesignating subsection (c) as sub-  
2           section (e), and

3           (2) by inserting after subsection (b) the fol-  
4           lowing:

5           “(c) OVERPAYMENT THRESHOLD REQUIRING COR-  
6           RECTIVE ACTION PLAN.—If for a fiscal year the overpay-  
7           ment rate of a State is more than 5 percent of the aggre-  
8           gate amount of payments made to carry out this sub-  
9           chapter by such State for such fiscal year, then such State  
10          shall submit to the Secretary—

11           “(1) for review and approval a corrective action  
12          plan to reduce such rate to not more than 5 percent  
13          for each subsequent fiscal year; and

14           “(2) such reports as the Secretary may require  
15          to show that such State is complying with the re-  
16          quirements of such plan as approved by the Sec-  
17          retary.

18           “(d) CONDITIONAL INELIGIBILITY.—If for each of 2  
19          consecutive fiscal years the overpayment rate of a State  
20          determined under this section is more 5 percent, then such  
21          State shall be ineligible to receive funds under this sub-  
22          chapter unless such State demonstrates to the satisfaction  
23          of the Secretary that such State for the next fiscal year  
24          will—

1           “(1) reduce such overpayment rate to not more  
2           than 5 percent for the next fiscal year; or

3           “(2) make significant progress to comply with  
4           the corrective action plan approved under subsection  
5           (c).”.

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