

Union Calendar No. 507

119TH CONGRESS
2^D SESSION

H. R. 7721

[Report No. 119-587]

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2026

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

APRIL 6, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 26, 2026]

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 of 2026” or the “CRACKDOWN Act of*
7 *2026”.*

8 **SEC. 2. IMPROPER PAYMENT RATE REQUIRING CORREC-**
9 **TIVE ACTION PLAN; CONDITIONAL INELIGI-**
10 **BILITY.**

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

13 *(1) by redesignating subsection (c) as subsection*
14 *(e), and*

15 *(2) by inserting after subsection (b) the fol-*
16 *lowing:*

17 *“(c) IMPROPER PAYMENT THRESHOLD REQUIRING*
18 *CORRECTIVE ACTION PLAN.—If for a fiscal year the im-*
19 *proper payment rate of a State is more than 5 percent of*
20 *the aggregate amount of payments made to carry out this*
21 *subchapter by such State for such fiscal year, then such*
22 *State shall submit to the Secretary—*

23 *“(1) for review and approval a corrective action*
24 *plan to reduce such rate to not more than 5 percent*
25 *for each subsequent fiscal year; and*

1 “(2) such reports as the Secretary may require
2 to show that such State is complying with the re-
3 quirements of such plan as approved by the Secretary.

4 “(d) *CONDITIONAL INELIGIBILITY.*—If for each of 2
5 consecutive fiscal years the improper payment rate of a
6 State determined under this section is more 5 percent, then
7 such State shall be ineligible to receive funds under this sub-
8 chapter unless such State demonstrates to the satisfaction
9 of the Secretary that such State for the next fiscal year
10 will—

11 “(1) reduce such improper payment rate to not
12 more than 5 percent for the next fiscal year; or

13 “(2) make significant progress to comply with
14 the corrective action plan approved under subsection
15 (c).”.

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