

Union Calendar No. 509

119TH CONGRESS
2^D SESSION

H. R. 7723

[Report No. 119-589]

To amend the Child Care and Development Block Grant Act of 1990 to debar child care providers that committed fraud from receiving financial assistance under the Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2026

Ms. FOXX introduced the following bill; which was referred to the Committee on Education and Workforce

APRIL 6, 2026

Additional sponsor: Ms. LETLOW

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 *italie*]

[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 debar child care providers that committed fraud from receiving financial assistance under 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 “Safeguarding Taxpayer*
5 *Dollars in Child Care Act of 2026”.*

6 **SEC. 2. PREVENTING FRAUD IN THE CHILD CARE AND DE-**
7 **VELOPMENT BLOCK GRANT PROGRAM.**

8 *Section 658I(b) of the Child Care and Development*
9 *Block Grant Act of 1990 (42 U.S.C. 9858g(b)) is amend-*
10 *ed—*

11 *(1) by redesignating paragraph (3) as para-*
12 *graph (4); and*

13 *(2) by inserting after paragraph (2) the fol-*
14 *lowing:*

15 *“(3) DETERMINATION OF FRAUD.—*

16 *“(A) INVESTIGATION.—The Secretary shall*
17 *investigate fraud with respect to financial assist-*
18 *ance available under this subchapter.*

19 *“(B) DEBARMENT.—In the case that the*
20 *Secretary makes, or finds that there has been, a*
21 *final determination of fraud against a child care*
22 *provider that received financial assistance avail-*
23 *able under this subchapter, the Secretary shall*
24 *permanently debar such child care provider from*
25 *receiving such financial assistance.*

1 “(C) *PROVIDERS DEBARRED FROM CHILD*
2 *AND ADULT CARE FOOD PROGRAM.—In the case*
3 *that a child care provider has been debarred*
4 *from participating in the Child and Adult Care*
5 *Food Program under section 17 of the Richard*
6 *B. Russell National School Lunch Act (42 U.S.C.*
7 *1766) in accordance with subsection (d)(5)(E)(i)*
8 *of such section, the Secretary shall permanently*
9 *debar such child care provider from receiving fi-*
10 *nanacial assistance under this subchapter.*

11 “(D) *FINAL DETERMINATION OF FRAUD*
12 *DEFINITION.—In this paragraph, the term ‘final*
13 *determination of fraud’ means a determination*
14 *reached in an administrative order or as part of*
15 *a judicial decision, for which any rights to re-*
16 *view or appeal have been exhausted or waived,*
17 *that a child care provider—*

18 “(i) *knowingly submitted a false state-*
19 *ment or documentation to obtain financial*
20 *assistance available under this subchapter;*

21 “(ii) *misrepresented ownership of, en-*
22 *rollment at, attendance at, or services pro-*
23 *vided through a program of child care serv-*
24 *ices, or the eligibility of the provider to pro-*

1 *vide such services, to obtain such financial*
2 *assistance;*

3 “(iii) *to obtain such financial assist-*
4 *ance, operated without the State licensing*
5 *described in section 658E(c)(2)(F) and*
6 *without receiving an exception to such li-*
7 *censing;*

8 “(iv) *made a knowing and improper*
9 *expenditure of such financial assistance; or*

10 “(v) *engaged in any other conduct re-*
11 *lated to such financial assistance that con-*
12 *stituted fraud under Federal or State law.”.*

13 **SEC. 3. PREVENTING FRAUD IN THE CHILD AND ADULT**
14 **CARE FOOD PROGRAM.**

15 *Section 17(d)(5) of the Richard B. Russell National*
16 *School Lunch Act (42 U.S.C. 1766(d)(5)) is amended—*

17 *(1) by redesignating subparagraph (E) as sub-*
18 *paragraph (F); and*

19 *(2) by inserting after subparagraph (D) the fol-*
20 *lowing:*

21 “(E) **TERMINATION DUE TO FRAUD.**—

22 “(i) **DEBARMENT.**—*In the case that the*
23 *participation of an institution or family or*
24 *group day care home under the program is*
25 *terminated due to a final determination of*

1 *fraud, the Secretary shall permanently*
2 *debar such institution or family or group*
3 *day care home from participating in the*
4 *program.*

5 “(ii) *PROVIDERS DEBARRED FROM*
6 *CHILD CARE AND DEVELOPMENT BLOCK*
7 *GRANT PROGRAM.—In the case that an in-*
8 *stitution or family or group day care home*
9 *has been debarred from receiving financial*
10 *assistance under the Child Care and Devel-*
11 *opment Block Grant Act of 1990 (42 U.S.C.*
12 *9857 et seq.) in accordance with section*
13 *658I(b)(3)(B) of such Act, the Secretary*
14 *shall permanently debar such institution or*
15 *family or group day care home from par-*
16 *ticipating in the program.*

17 “(iii) *FINAL DETERMINATION OF*
18 *FRAUD DEFINITION.—In this subparagraph,*
19 *the term ‘final determination of fraud’*
20 *means a determination reached in accord-*
21 *ance with the procedures and requirements*
22 *of this section, for which any rights to re-*
23 *view or appeal have been exhausted or*
24 *waived, that an institution or family or*
25 *group day care home—*

1 “(I) knowingly submitted a false
2 statement or documentation to obtain
3 funds disbursed under subsection
4 (f)(1)(A);

5 “(II) misrepresented ownership,
6 enrollment, attendance, or services in
7 connection with the operation of the
8 program by such institution or family
9 or group day care home, or the eligi-
10 bility of such institution or family or
11 group day care home to operate the
12 program, to obtain such funds;

13 “(III) made a knowing and im-
14 proper expenditure of such funds; or

15 “(IV) engaged in any other con-
16 duct related to such funds that con-
17 stituted fraud under Federal or State
18 law.”.

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