

119TH CONGRESS
2D SESSION

H. R. 9224

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2026

Mr. MACKENZIE (for himself, Ms. McDONALD RIVET, Mrs. HINSON, and Ms. LEE of Nevada) introduced the following bill; which was referred to the Committee on Education and Workforce, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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 2026”.

1 **SEC. 2. PURPOSES.**

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

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

7 “(b) PURPOSES.—The purposes of this subchapter
8 are—

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

13 “(2) to promote parental choice to empower
14 working parents to make their own decisions regard-
15 ing the child care services that best suit their fam-
16 ily’s needs;

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

23 “(4) to assist States in delivering high-quality,
24 coordinated child care services to maximize parents’
25 options to cover the full workday and full work year,
26 to support continuity of care for children, and to

1 support parents trying to achieve independence from
2 public assistance;

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

9 “(6) to assist States—

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

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

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

19 **SEC. 3. DEFINITIONS.**

20 (a) IN GENERAL.—Section 658P of the Child Care
21 and Development Block Grant Act of 1990 (42 U.S.C.
22 9858n) is amended—

23 (1) by redesignating paragraphs (5) through
24 (7), (8) and (9), and (10) through (15), as para-

graphs (6) through (8), (10) and (11), and (13) through (18), respectively;

(2) in paragraph (3)—

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

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

(C) by striking subparagraph (D);

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

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

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

“(B) self-employment;

“(C) job search activities;

“(D) job training;

“(E) secondary, postsecondary, or adult education, including education through a program of high school classes, a course of study at an institution of higher education, classes towards an equivalent of a high school diploma recognized by State law, or English as a second language classes;

“(F) health treatment (including mental health and substance use treatment) for a con-

1 dition that prevents the parent involved from
2 participating in other eligible activities;

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

6 “(H) employment and training activities
7 under the employment and training program, of
8 the supplemental nutrition assistance program,
9 established under section 6(d)(4) of the Food
10 and Nutrition Act of 2008 (7 U.S.C.
11 2015(d)(4));

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

15 “(J) a work activity described in sub-
16 section (d) of section 407 of the Social Security
17 Act (42 U.S.C. 607) for which, consistent with
18 clauses (ii) and (iii) of section 402(a)(1)(A) of
19 such Act (42 U.S.C. 602(a)(1)(A)), a parent is
20 treated as being engaged in work for a month
21 in a fiscal year for purposes of the program of
22 block grants to States for temporary assistance
23 for needy families established under part A of
24 title IV of the Social Security Act (42 U.S.C.
25 601 et seq.); or

1 “(K) taking leave under the Family and
2 Medical Leave Act of 1993 (29 U.S.C. 2601 et
3 seq.) (or equivalent provisions for Federal em-
4 ployees), a State or local paid or unpaid leave
5 law, or a program of employer-provided leave.

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

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

9 “(B)(i) whose family income does not ex-
10 ceed—

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

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

16 “(ii) whose family assets do not exceed
17 \$1,000,000 (as certified by a member of such
18 family); and

19 “(C) who—

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

23 “(ii) is a child experiencing homeless-
24 ness, a child in kinship care, or a child who

1 is receiving, or needs to receive, child pro-
2 tective services; or

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

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

6 (A) in subparagraph (A), by striking “or”
7 at the end;

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

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

11 “(C) notwithstanding section 645(a)(1)(B)
12 of the Head Start Act (42 U.S.C.
13 9840(a)(1)(B)), a Head Start agency.”; and

14 (D) by adding at the end the following
15 flush sentence:

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

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

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

7 “(A) for fewer than 24 hours per day per
8 child; or

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

11 “(9) HOMELESS CHILD.—The term ‘homeless
12 child’ means an individual described in section
13 725(2) of the McKinney-Vento Homeless Assistance
14 Act (42 U.S.C. 11434a(2)).”;

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

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

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

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

1 “(A) promotes parental choice to empower
2 working parents to make their own decisions re-
3 garding the child care services that best suit
4 their family’s needs;

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

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

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

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

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

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

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

4 (1) by redesignating section 658P as section
5 658A; and

6 (2) by moving section 658A, as so redesignated,
7 to follow section 658, as redesignated by section 2.

8 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) PART.—The Child Care and Development Block
10 Grant Act of 1990 is amended by inserting before section
11 658B the following:

12 **“PART I—CHILD CARE SERVICES”.**

13 (b) IN GENERAL.—Section 658B of the Child Care
14 and Development Block Grant Act of 1990 (42 U.S.C.
15 9858) is amended to read as follows:

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

17 “There is authorized to be appropriated to carry out
18 this subchapter (other than section 658T) such sums as
19 may be necessary for each of fiscal years 2027 through
20 2031.”.

21 **SEC. 5. LEAD AGENCY.**

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

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

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

8 “(B) eligible child care providers that rep-
 9 resent the various geographic areas and types
 10 of providers in the State;

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

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

19 **SEC. 6. APPLICATION AND PLAN.**

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

23 (1) in paragraph (2)—

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

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

4 (C) in subparagraph (E)(i)—

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

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

13 (iii) in subclause (IV)—

14 (I) by striking “and” before “the
15 Medicaid”; and

16 (II) by inserting before the semi-
17 colon the following: “, and the Mater-
18 nal, Infant, and Early Childhood
19 Home Visiting Programs under sec-
20 tion 511 of the Social Security Act
21 (42 U.S.C. 711)”;

22 (D) in subparagraph (G)—

23 (i) in the subparagraph heading, by
24 striking “TRAINING AND PROFESSIONAL”
25 and inserting “PROFESSIONAL”;

(ii) in clause (i) and clause (ii) (in the matter preceding subclause (I)), by striking “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 estab-

lished 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:

1 “(i) children in underserved areas, in-
2 cluding areas that have significant con-
3 centrations of poverty or unemployment
4 and that do not have a sufficient supply of
5 eligible child care providers;

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

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

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

14 (I) in subparagraph (N)(iii), by striking
15 “At the option of the State, the” and inserting
16 “The”;

17 (J) in subparagraph (O)(i), by striking
18 “full-day services” and inserting “full workday
19 and full work year services”;

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

1 (L) in subparagraph (T)(i), by striking “or
2 implement” and all that follows through “of
3 2014)” and inserting “and implement develop-
4 mental guidelines”;

5 (M) in subparagraph (U)—

6 (i) in clause (ii), by inserting “State
7 and local health agencies,” after “licensing
8 of child care providers,”; and

9 (ii) in clause (iii)(II), by striking “fol-
10 lowing the emergency or disaster, which
11 may include” and inserting “during and
12 following the emergency or disaster, which
13 shall include guidelines for”;

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

18 “(i) provision of strategies to support
19 management coaching and the use of core
20 best business practices;

21 “(ii) development and use of shared
22 services initiatives including initiatives in-
23 volving provider networks such as child
24 care center alliances and family child care
25 provider networks; and

1 “(iii) coordination of activities with
2 programs of the Small Business Adminis-
3 tration, programs of the Department of
4 Agriculture, and other Federal, State, and
5 local programs supporting child care busi-
6 nesses.”; and

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

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

11 (2) in paragraph (3)—

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

17 (B) in subparagraph (D)—

18 (i) by striking “with respect to” and
19 all that follows through “2020” and insert-
20 ing “with respect to each fiscal year”; and

21 (ii) by striking “described in clause
22 (i), (ii), (iii), or (iv) of” and inserting “in
23 priority populations described in”;

24 (3) in paragraph (4)—

1 (A) by striking subparagraphs (A) and (B)
2 and inserting the following:

3 “(A) IN GENERAL.—The State plan shall
4 certify that, not later than the later of the date
5 that is 5 years after the date of submission of
6 the application, and September 30, 2032, pay-
7 ment rates for the provision of child care serv-
8 ices for which assistance is provided in accord-
9 ance with this subchapter—

10 “(i) will be sufficient to meet the cost
11 of providing the child care services, includ-
12 ing the fixed and operational costs of pro-
13 viding the child care services; and

14 “(ii) will be set and paid in accord-
15 ance with a cost estimation model de-
16 scribed in subparagraph (B).

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

19 “(i) demonstrate that the State, after
20 consulting with eligible child care providers
21 that represent the various geographic areas
22 of the State and types of providers within
23 the State’s mixed delivery system, State
24 and local child care program administra-
25 tors, local child care resource and referral

1 agencies, and other appropriate entities,
2 has developed and uses (or if the State has
3 not used such a model certify that the
4 State, after such consultation but not later
5 than the later of the date that is 5 years
6 after the date of submission of the applica-
7 tion described in subsection (a), and Sep-
8 tember 30, 2032, will develop and use) a
9 statistically valid and reliable cost esti-
10 mation model for the direct payment rates
11 for providers of child care services in the
12 State, that—

13 “(I) reflects the costs of service
14 delivery, including fixed costs and op-
15 erating expenses;

16 “(II) reflects the cost of staff sal-
17 aries and benefits necessary to suffi-
18 ciently recruit, train, and retain a
19 qualified child care workforce;

20 “(III) reflects variations in the
21 costs of service delivery by submarket,
22 type of provider, and children served,
23 including by—

1 “(aa) geographic area (such
2 as location in an urban or rural
3 area);

4 “(bb) ages of children;

5 “(cc) whether the children
6 have particular needs (such as
7 needs of children with disabilities
8 and children served by child pro-
9 tective services);

10 “(dd) whether the providers
11 provide services during weekend
12 and other nontraditional hours;
13 and

14 “(ee) quality of child care
15 provider as determined by the
16 State; and

17 “(IV) is reviewed once every 2
18 years and adjusted to—

19 “(aa) ensure payment rates
20 remain sufficient to meet the re-
21 quirements of this subchapter;
22 and

23 “(bb) provide a cost of living
24 increase to maintain the level of

1 services provided during the year
2 prior to the review; and

3 “(ii) describe how the State will pro-
4 vide for timely payments, set in accordance
5 with the model described in clause (i), for
6 child care services provided under this sub-
7 chapter.”;

8 (B) in subparagraph (C)—

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

10 (ii) by striking “(C)” and all that fol-
11 lows through “Nothing” and inserting the
12 following:

13 “(C) CONSTRUCTION.—Nothing”; and

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

15 “(D) NO FEDERAL CONTROL.—The Sec-
16 retary may offer guidance to States on cost es-
17 timation models described in subparagraph (B),
18 but shall not require a State to adopt a par-
19 ticular cost estimation model or an element of
20 a particular cost estimation model (except that
21 the model shall meet the requirements of sub-
22 paragraph (B)(i)).”; and

23 (4) by striking paragraph (5) and inserting the
24 following:

1 “(5) SLIDING FEE SCALE.—The State plan
 2 shall provide that the State will establish and peri-
 3 odically revise by rule a sliding fee scale to deter-
 4 mine a full copayment for a family receiving assist-
 5 ance under this subchapter (or, for a family receiv-
 6 ing part-time care, a reduced copayment that is an
 7 appropriate amount of the full copayment) and that
 8 is not a barrier that restricts families from accessing
 9 child care services under this subchapter.”.

10 **SEC. 7. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD**
 11 **CARE.**

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

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

19 (2) in paragraph (2)—

20 (A) by striking subparagraph (A) and in-
 21 serting the following:

22 “(A) to carry out the activities described in
 23 paragraph (1), not less than 9 percent of the
 24 funds described in paragraph (1) for each fiscal
 25 year; and”; and

1 (B) in subparagraph (B), by striking “re-
 2 ceived not later” and all that follows through
 3 “succeeding full fiscal year” and inserting “re-
 4 ceived for each fiscal year”.

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

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

9 (1) in paragraph (1)—

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

13 (B) in subparagraph (A), by striking “(A)”
 14 and inserting “(A)(i)”;

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

17 “(ii)”;

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

20 “(iii)”;

21 (E) in subparagraph (D)—

22 (i) by striking “(D)” and inserting the
 23 following:

24 “(iv)”;

1 (ii) in clause (iv), as so redesignated,
2 by striking the period and inserting “; or”;
3 and

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

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

9 (2) in paragraph (2)—

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

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

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

15 “(D) if the State seeks a waiver of section
16 658A(5)(B)(i)(I) under paragraph (1)(B) in-
17 clude—

18 “(i) the maximum income standard
19 that the State wishes to use;

20 “(ii) such information as determined
21 necessary by the Secretary to demonstrate
22 that the State is serving all eligible chil-
23 dren to the best of the State’s ability below
24 the maximum income standard in that sec-
25 tion, and will continue to prioritize and

1 serve all eligible children below the max-
2 imum income standard if a waiver under
3 paragraph (1)(B) should be approved;

4 “(iii) information demonstrating that
5 the State is meeting the requirements of
6 the State plan under section 658E(c), par-
7 ticularly the requirements of subpara-
8 graphs (M) and (Q) of paragraph (2) of
9 that section; and

10 “(iv) information demonstrating that
11 the payment rates described in that section
12 are set and paid in accordance with a cost
13 estimation model described in section
14 658E(c)(4)(B).”;

15 (3) in paragraph (7)—

16 (A) by striking “The Secretary may” and
17 inserting the following:

18 “(A) GENERAL RENEWALS.—The Sec-
19 retary may”;

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

1 (C) in the second sentence, by striking
2 “seeking to renew their waiver approval” and
3 inserting “seeking that renewal”;

4 (D) in the third sentence, by striking “ex-
5 tension request” and inserting “renewal re-
6 quest”; and

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

8 “(B) RENEWALS OF INCOME REQUIRE-
9 MENT WAIVERS.—A State may seek a renewal,
10 of an existing waiver of section
11 658A(5)(B)(i)(I) under paragraph (1)(B) (in-
12 cluding a previously renewed waiver), for a pe-
13 riod no longer than 3 years. A State seeking
14 that renewal shall inform the Secretary of this
15 intent no later than 30 days prior to the expira-
16 tion date of the waiver. The State shall re-cer-
17 tify in its renewal request the provisions in
18 paragraph (2). On determining that the State
19 has accurately re-certified those provision, the
20 Secretary shall grant the renewal.”; and

21 (4) in paragraph (8)—

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

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

12 **SEC. 9. REPORTS AND AUDITS.**

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

16 (1) in paragraph (2)—

17 (A) in the matter preceding subparagraph

18 (A)—

19 (i) by striking “Not later than” and
 20 all that follows through “a State” and in-
 21 serting “A State”; and

22 (ii) by inserting “annually” before
 23 “prepare”;

1 (B) in subparagraph (A), by striking “sec-
 2 tion 658P(6)” and inserting “section 658A(7)”;
 3 and

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

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

8 “(3) ADDITIONAL STATE REPORTS.—

9 “(A) INFORMATION ON PERCENTAGE OF
 10 INCOME FAMILIES ARE SPENDING ON CHILD
 11 CARE.—In addition to the report described in
 12 paragraph (2), a State described in paragraph
 13 (1)(A) shall, not later than the date that the
 14 State submits a State plan under section 658E,
 15 prepare and submit to the Secretary a report
 16 that includes—

17 “(i) information on—

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

20 “(aa) have children that are
 21 eligible to receive but are not re-
 22 ceiving assistance under this sub-
 23 chapter; and

24 “(bb) are residing in the
 25 State; and

1 “(II) the child care options that
2 are available to such families at an af-
3 fordable rate; and

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

7 “(I) lower the percentage of the
8 family income, of families described in
9 clause (i), that the families spend on
10 child care copayments; and

11 “(II) increase access to child care
12 so that all eligible children in the
13 State receive child care.

14 “(B) PROGRESS REPORT.—The State
15 shall, not later than the date that the State
16 submits a State plan under section 658E, pre-
17 pare and submit to the Secretary a report that
18 includes an analysis of the progress the State
19 has made over the preceding 10 years, on
20 benchmarks described in the State plan under
21 section 658E(c)(2)(W), in the child care pro-
22 gram carried out under this subchapter, relat-
23 ing to indicators consisting of—

24 “(i) child and family eligibility and en-
25 rollment;

1 “(ii) affordability of child care for
2 families with an eligible child;

3 “(iii) expansion of parental choice and
4 equal access;

5 “(iv) payment rates and payment
6 practices;

7 “(v) recruiting and retaining a skilled,
8 qualified, and appropriately compensated
9 child care workforce;

10 “(vi) quality improvement activities;

11 “(vii) lead agency coordination and
12 partnership;

13 “(viii) family outreach and consumer
14 education; and

15 “(ix) program integrity and account-
16 ability.

17 “(C) REPORTS TO CONGRESS.—The Sec-
18 retary shall submit a report to the Committee
19 on Health, Education, Labor, and Pensions of
20 the Senate and the Committee on Education
21 and Workforce of the House of Representatives
22 on the information reported to the Secretary by
23 States as described in subparagraphs (A) and
24 (B).”.

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

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

7 **SEC. 11. TECHNICAL AMENDMENTS.**

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

11 (1) in paragraphs (1), (3), and (4) by striking
12 “this subchapter” and inserting “section 658B”;
13 and

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

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

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

21 **“PART II—CHILD CARE SUPPLY AND FACILITIES**
22 **“SEC. 658T. CHILD CARE SUPPLY AND FACILITIES GRANTS.**

23 “(a) PURPOSES.—The purposes of this section are to
24 provide grants to States, territories described in section
25 658O(a)(1) (referred to individually in this part as a ‘ter-
26 ritory’), Indian Tribes, and Tribal organization to—

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

7 “(2) ensure child care facilities are designed
8 and equipped to keep children healthy and safe and
9 to enhance children’s physical, cognitive, and behav-
10 ioral development.

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

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

17 “(2) a child care provider that has applied
18 under this subchapter to become an eligible child
19 care provider as defined in section 658A(7)(A) and
20 that commits to provide child care services to chil-
21 dren eligible for services under this subchapter.

22 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
23 is authorized to be appropriated to carry out this section
24 such sums as may be necessary for each of fiscal years
25 2028 through 2031.

1 “(d) GRANTS AUTHORIZED; ALLOTMENTS.—

2 “(1) IN GENERAL.—From funds made available
3 under subsection (c), the Secretary shall make
4 grants to States, territories, Indian Tribes, and
5 Tribal organizations to carry out the activities de-
6 scribed in subsection (f).

7 “(2) RESERVATION.—The Secretary shall re-
8 serve not more than 1 percent of the amount appro-
9 priated under subsection (c) for a fiscal year to
10 carry out this section to pay for the costs of the
11 Federal administration of this section.

12 “(3) ALLOTMENTS.—From the amount appro-
13 priated to carry out this section for a fiscal year
14 that remains after the Secretary makes the reserva-
15 tion under paragraph (2), the Secretary shall award
16 to each lead agency with an approved plan under
17 subsection (e), a child care supply and facilities
18 grant in accordance with paragraphs (1) and (2) of
19 subsection (a), and subsection (b), of section 658O,
20 for the grants authorized under paragraph (1). A
21 grant made under this paragraph in accordance with
22 paragraph (1) or (2) of that subsection shall be for
23 the purpose of carrying out the program described
24 in this section, consistent, to the extent practicable

1 as determined by the Secretary, with the require-
2 ments applicable to States.

3 “(e) STATE PLAN.—

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

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

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

14 “(B) A description of how the State will
15 ensure that qualified child care providers in
16 rural, suburban, and urban areas can readily
17 apply for and access funding under this section,
18 which shall include providing technical assist-
19 ance either directly or through a third party
20 which may include a resource and referral agen-
21 cy or a staffed family child care provider net-
22 work.

23 “(C) A description of how the State will
24 determine the prioritization of subgrants to

1 qualified child care providers in accordance with
2 subsection (f)(5).

3 “(D) An assurance that the State will
4 make available to the public, which shall in-
5 clude, at a minimum, posting to an internet
6 website of the lead agency—

7 “(i) a notice of funding availability
8 through subgrants for qualified child care
9 providers under this section; and

10 “(ii) the criteria for awarding sub-
11 grants for qualified child care providers,
12 including the methodology the lead agency
13 will use to determine the amounts of such
14 subgrants for qualified child care pro-
15 viders.

16 “(E) A determination by the State of the
17 duration of child care services required for
18 qualified child care providers to receive sub-
19 grants under this subchapter.

20 “(f) STATE USE OF FUNDS.—

21 “(1) RESERVATION.—A lead agency that re-
22 ceives a grant under subsection (d) shall reserve not
23 more than 10 percent of the grant funds for State-
24 level activities, consisting of administering subgrants

1 and providing technical assistance and support, for
2 activities supported under this section.

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

7 “(3) STARTUP AND SUPPLY EXPANSION SUB-
8 GRANTS.—

9 “(A) IN GENERAL.—The lead agency shall
10 make startup and supply expansion subgrants
11 to qualified child care providers that are pro-
12 viding, or seeking to provide, child care services
13 under this subchapter to eligible children, to—

14 “(i) support the providers in paying
15 for startup and expansion costs;

16 “(ii) assist such providers in meet-
17 ing—

18 “(I) the health and safety re-
19 quirements (including the require-
20 ments referred to in section
21 658E(c)(2)(I)) of the State, territory,
22 Indian Tribe, or local government in-
23 volved, as the case may be;

24 “(II) the child-to-provider ratio
25 standards (including the requirements

1 referred to in section 658E(c)(2)(H))
2 applicable to the provider;

3 “(III) licensing and other regu-
4 latory standards of the State, terri-
5 tory, Indian Tribe, or local govern-
6 ment involved, as the case may be, for
7 child care providers; and

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

11 “(iii) establish or expand the oper-
12 ation of community- or neighborhood-based
13 family child care networks; and

14 “(iv) support access to child care serv-
15 ices facing a particular shortage of child
16 care options, including child care services
17 during nontraditional or extended hours,
18 and child care services for children with
19 disabilities (including, for purposes of this
20 clause, a child who has documentation
21 other than an individualized education pro-
22 gram (as defined in section 602 of the In-
23 dividuals with Disabilities Education Act
24 (20 U.S.C. 1401)) establishing the child’s
25 disability (as defined in section 3 of the

1 Americans with Disabilities Act of 1990
2 (42 U.S.C. 12101))).

3 “(B) REQUIREMENT.—As a condition of
4 receiving a startup or supply expansion
5 subgrant under this paragraph, a qualified child
6 care provider shall commit to meeting the re-
7 quirements for an eligible child care provider
8 under this subchapter and to providing child
9 care services under this subchapter to eligible
10 children, on an ongoing basis, as determined by
11 the State.

12 “(4) FACILITIES SUBGRANTS.—

13 “(A) IN GENERAL.—The lead agency shall
14 make facilities subgrants to qualified child care
15 providers that are providing, or seeking to pro-
16 vide, child care services under this subchapter
17 to eligible children, for, notwithstanding section
18 658F(b)—

19 “(i) remodeling, renovation, or repair
20 of a building or facility used for providing
21 direct child care services; and

22 “(ii) construction, permanent improve-
23 ment, or major renovation of a building or
24 facility used for providing direct child care
25 services.

1 “(B) REQUIREMENT.—As a condition of
2 receiving a facilities subgrant under this para-
3 graph, a child care provider shall commit to
4 meeting the requirements for an eligible child
5 care provider under this subchapter and to pro-
6 viding child care services under this subchapter
7 to eligible children on an ongoing basis, as de-
8 termined by the State.

9 “(C) FEDERAL INTEREST.—

10 “(i) FAMILY CHILD CARE HOMES.—
11 Federal law regarding a Federal interest in
12 real property shall not apply to the renova-
13 tion, remodeling, repair, or permanent im-
14 provement of privately owned family child
15 care homes with funds provided under this
16 paragraph, and the Secretary shall develop
17 parameters for the use of such funds for
18 family child care homes.

19 “(ii) RETENTION.—If the Secretary
20 retains a Federal interest in any facility
21 constructed, renovated, remodeled, re-
22 paired, or permanently improved with
23 funds provided under this paragraph, the
24 Secretary shall not retain the Federal in-
25 terest for more than 10 years.

1 “(5) PRIORITY.—In awarding subgrants under
2 paragraphs (3) and (4), the lead agency shall give
3 priority to qualified child care providers providing or
4 seeking to provide child care services to priority pop-
5 ulations of children described in section
6 658E(c)(2)(M).

7 “(g) SUPPLEMENT NOT SUPPLANT.—Amounts made
8 available to carry out this section shall be used to supple-
9 ment and not supplant other Federal, State, and local
10 public funds expended to increase the supply of child care
11 and to improve child care facilities.

12 “(h) DOCUMENTATION AND REPORTING REQUIRE-
13 MENTS.—

14 “(1) DOCUMENTATION.—A State receiving a
15 grant under subsection (d) shall provide documenta-
16 tion of any State expenditures from grant funds re-
17 ceived under subsection (d) in accordance with sec-
18 tion 658K(b), to the independent entity described in
19 that section.

20 “(2) REPORTS.—

21 “(A) LEAD AGENCY ANNUAL REPORT.—A
22 lead agency receiving a grant under subsection
23 (d) shall, not later than 12 months after mak-
24 ing subgrants from the funds made available
25 through such grant, and annually for the dura-

tion of the grant, submit a report to the Secretary that includes, for the State involved, a description of each of the lead agency’s programs of subgrants carried out to meet the objectives of this section, including—

“(i) the number of eligible child care providers in operation at the start of the grant period, and the number of such providers 11 months later, disaggregated by age of children served, geographic region, and child care setting (including whether the provider was in a center-based or family child care setting);

“(ii) the number of child care slots, in the capacity of eligible child care providers given applicable group size limits and staff-to-child ratios, that were open for attendance of children at the start of the grant period and the number of such slots 11 months later, disaggregated by age of children served, geographic region, and child care setting (including whether the slot was in a center-based or family child care setting), and each priority population

1 of children described in section
2 658E(c)(2)(M);

3 “(iii)(I) the number and percentage of
4 qualified child care providers that received
5 a subgrant under subsection (f)(3),
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 “(II) the number and percentage of
13 qualified child care providers that received
14 a subgrant under subsection (f)(4),
15 disaggregated by age of children served,
16 geographic region, and child care setting
17 (including whether the provider was in a
18 center-based or family child care setting),
19 and the average and range of the amounts
20 of the subgrants awarded; and

21 “(iv) information concerning how
22 qualified child care providers receiving sub-
23 grants under subsection (f)(3) or (f)(4)
24 used the subgrant funding received.

1 “(B) REPORT TO CONGRESS.—The Sec-
2 retary shall transmit annually to the Committee
3 on Health, Education, Labor, and Pensions of
4 the Senate and the Committee on Education
5 and Workforce of the House of Representatives
6 a report that provides national and State-level
7 data for the information collected under sub-
8 paragraph (A).

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

12 **SEC. 13. DEPARTMENT OF AGRICULTURE LOAN RESTRIC-**
13 **TIONS.**

14 The Secretary of Agriculture shall revise section
15 3555.102(c) of title 7, Code of Federal Regulations, as
16 in effect on the date of enactment of this Act, to exclude
17 a business that is licensed, regulated, or registered as a
18 child care provider under State law.

○