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(Original Signature of Member)

119TH CONGRESS  
2D SESSION

# H. R.

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

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## IN THE HOUSE OF REPRESENTATIVES

Mr. MACKENZIE introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# 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-

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

3 (2) in paragraph (3)—

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

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

8 (C) by striking subparagraph (D);

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

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

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

14 “(B) self-employment;

15 “(C) job search activities;

16 “(D) job training;

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

24 “(F) health treatment (including mental  
25 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 redesignated,  
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 residence—  
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 redesignated,  
21           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”;

1 (ii) in clause (i) and clause (ii) (in the  
2 matter preceding subclause (I)), by strik-  
3 ing “training and” before “professional de-  
4 velopment”;

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

8 (iv) in clause (iii), by striking “train-  
9 ing” and inserting “professional develop-  
10 ment”;

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

13 (F) in subparagraph (J)—

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

16 “(i) procedures”;

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

19 (iii) by adding at the end the fol-  
20 lowing:

21 “(ii) the State will undertake a review  
22 of State and local health and safety re-  
23 quirements (including requirements for in-  
24 spections under this subchapter and the  
25 child and adult care food program estab-

1 lished under section 17 of the Richard B.  
2 Russell National School Lunch Act (42  
3 U.S.C. 1766)) to determine redundancies  
4 and oversights that may exist, to ensure—  
5 “(I) children receive child care  
6 services in healthy and safe environ-  
7 ments; and  
8 “(II) child care providers can  
9 easily identify, understand, and com-  
10 ply with applicable health and safety  
11 requirements.”;  
12 (G) in subparagraph (K)(i)—  
13 (i) in the matter preceding subclause  
14 (I), by striking “, not later” and all that  
15 follows through “2014,”; and  
16 (ii) in subclause (IV), by striking  
17 “section 658P(6)(B)” and inserting “sec-  
18 tion 658A(7)(B)”;  
19 (H) in subparagraph (M)—  
20 (i) by redesignating clauses (ii)  
21 through (iv) as clauses (iv) through (vi),  
22 respectively;  
23 (ii) by striking clause (i) and inserting  
24 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 a 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”;

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 sserting “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)”;

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 6580,  
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-

1           tion of the grant, submit a report to the Sec-  
2           retary that includes, for the State involved, a  
3           description of each of the lead agency’s pro-  
4           grams of subgrants carried out to meet the ob-  
5           jectives of this section, including—

6                   “(i) the number of eligible child care  
7                   providers in operation at the start of the  
8                   grant period, and the number of such pro-  
9                   viders 11 months later, disaggregated by  
10                  age of children served, geographic region,  
11                  and child care setting (including whether  
12                  the provider was in a center-based or fam-  
13                  ily child care setting);

14                  “(ii) the number of child care slots, in  
15                  the capacity of eligible child care providers  
16                  given applicable group size limits and  
17                  staff-to-child ratios, that were open for at-  
18                  tendance of children at the start of the  
19                  grant period and the number of such slots  
20                  11 months later, disaggregated by age of  
21                  children served, geographic region, and  
22                  child care setting (including whether the  
23                  slot was in a center-based or family child  
24                  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.