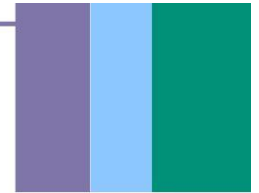




Side-By-Side Analysis: Comparison of the 2025 Child Care Modernization Act to Current Law



September 2025

The following is a summary of key revisions the Child Care Modernization Act of 2025 would introduce to the Child Care and Development Block Grant Act of 2014. Among other changes, this legislation would:

- Create new child care supply and facilities grants. These grants would aim to ensure facilities are designed and equipped to keep children healthy, safe, and support their development, as well as expand the supply and capacity of child care providers so that working parents have multiple quality child care options to suit their family's needs. Facilities and supply funding would be time limited (FY2027-2030) and authorized as a separate program outside of the regular CCDBG program. States could reserve up to 10% of their allotment for state-level activities and award subgrants to qualified child care providers with the remaining funds, with priority given to those serving or who would serve priority populations of children:
 - "Startup Supply and Expansion Subgrants" would support startup and expansion costs, help meet regulatory standards, or establish or expand family child care networks.
 - "Facilities Subgrants" would support renovation or construction of a building or facility used for direct child care services.
- Require states to develop and use a valid and reliable cost estimation model to ensure payment rates are sufficient to meet the cost of providing child care services. States would have five years to implement their model (revising it every two years) to reflect: the costs of service delivery (including fixed costs, operating expenses, and staff salaries and benefits necessary to recruit, train, and retain a qualified workforce); variations in the costs of service delivery by submarket, provider type, and children served, including by geographic area; ages of children; whether the children have particular needs (such as children with disabilities and children served by child protective services); whether the providers offer nontraditional hours; and quality of the child care. In addition to current stakeholders, states would be required to consult with eligible child care providers in developing the model.

Payment rates would need to remain sufficient to cover the cost of providing child care, and states would provide a cost of living increase to maintain the level of services provided during the year prior. The bill prohibits HHS from requiring adoption of a particular cost estimation model or element of a particular cost estimation model.

- *Currently, states may use a survey of their child care market rate or an alternative methodology (including a cost estimation model) to determine provider payment rates. The law allows states to differentiate payment rates based on factors nearly identical to those identified above. Payment rates must be sufficient to ensure equal access for eligible children to child care services that are comparable to child care services in the State or substate area that are provided to children whose parents are not eligible to receive public child care assistance.*

- Allow states to serve more families above the current income eligibility limit of 85% State Median Income (SMI) through a waiver process. To receive a waiver, states must prove that they are serving and prioritizing all eligible children below 85% SMI and that they are prioritizing certain populations outlined in the law in accordance with their state plan.
 - *85% of SMI is the current limit for CCDBG eligibility. States can set income eligibility anywhere below that ceiling.*
- Require states to undertake a review of state and local health and safety requirements to determine redundancies and oversights that may exist. This includes requirements for CCDBG inspections and the CACFP.
- Add a definition of “mixed delivery system” that ensures child care services promote parental choice, are offered by varied service providers (including faith-based and community-based child care providers) and in multiple settings (including family child care homes, centers, Head Start, and public and private schools), and can be supported with a combination of public and private funds.
 - *The term mixed delivery system is not included in the current law.*
- Authorize funding of “such sums as may be necessary” for fiscal years 2026 through 2030.
 - *CCDBG is currently appropriated at \$8.75 billion for FY2025.*
- Amend the purpose of the law to add implementation of a mixed delivery system, ensure child care services cover the full workday and work year, increase focus on early learning and development, and assist states in supporting the child care workforce.
- Amend the definition of “eligible child care provider” to allow licensed, regulated, or registered care providers (or their staff members) who are otherwise eligible for CCDBG assistance to include care for their own children as long as other eligible children are also being cared for by the provider.
 - *The definition currently includes grandchildren, great-grandchildren, siblings living in a separate residence, and nieces and nephews, but does not include the provider’s own child.*
- Clarify the parent activities that qualify a family for CCDBG by adding a definition for “eligible activity” that includes: full-time or part-time employment; self-employment; job search activities; job training; secondary, postsecondary, or adult education; health treatment that prevents the parent from participating in other eligible activities; activities to prevent child abuse or neglect, family violence prevention or intervention activities, or participation in a family or medical leave program.
 - *Current law instead incorporates eligible activities into the definition of eligible child, stating that a child must reside with a parent or parents who are working or attending a job training or educational program.*
- Require states to describe how they will meet the needs of certain groups of children in state plans. This includes: children in underserved areas, including areas that have significant concentrations of poverty or unemployment and that do not have a

sufficient supply of eligible providers; children experiencing homelessness, in foster care, in kinship care, and who are receiving, or need to receive, child protective services; and children in rural areas.

- *Current law requires states to describe how they will develop or implement strategies to serve children in underserved areas, infants and toddlers, children with disabilities, and children who receive care during nontraditional hours. This change adds the aforementioned subgroups of children.*
- Require state plans to describe how they will support child care business technical assistance, including:
 - provision of strategies to support management coaching and the use of core best business practices;
 - development and use of shared services initiatives including initiatives involving provider networks; and
 - coordination of activities with programs of the Small Business Administration, programs of the Department of Agriculture, and other Federal, State, and local programs supporting child care businesses.
 - *State plans are currently required to describe how a state will develop and implement strategies to strengthen providers' business practices.*
- Specify that activities to assist child care providers in their efforts to recruit, train, and retain qualified staff must be included in the state's quality improvement funds (a minimum of 9% of funding).
 - *Current law outlines numerous quality improvement activities that states can choose from, including those related to training and professional development of the child care workforce; improving upon the development or implementation of the early learning and developmental guidelines; developing, implementing, or enhancing a tiered quality rating system; improving the supply and quality of child care programs and services for infants and toddlers; and more.*
- Require reporting on information related to the percentage of income that families spend on child care. This would include information on children who are eligible for but are not receiving assistance, all children residing in the state, and the affordable child care options available to families. States would need to conduct a feasibility study on how they could lower the percentage of family income spent on copayments and increase access to child care so that all eligible children receive care. States would also include an analysis on their progress made over 10 years regarding child and family eligibility and enrollment, expansion of parental choice and equal access, payment rates and payment practices, workforce recruitment and retention, and more.
 - *This information would be in addition to reporting requirements under the current law, which include family and child demographics, type of care utilized and for what length of time, cost of care, payment methods, child fatalities, and more.*
- Direct the Department of Agriculture to remove regulatory burdens that restrict the presence of home-based child care providers in rural areas. Specify that licensed, regulated, or registered child care providers are exempt from a USDA prohibition on funds being used to purchase or construct buildings that are "largely or in part specifically designed to accommodate a business or income-producing enterprise."

The table below compares the changes proposed in the *Child Care Modernization Act of 2025* to current law. Highlighted text denotes changes from current law. Sections that would not be amended are not summarized below.

(Full text: [2025 text](#), [2014 text](#))

	Summary Text of Current Law	Changes in <i>Child Care Modernization Act of 2025</i>
<u>§ 9857. Short title and purposes</u>	The Child Care and Development Block Grant (CCDBG) Act of 1990 States the purposes of the CCDBG Act are to: (b)(1) allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within that state; (2) promote parental choice to empower working parents to make their own decisions regarding the child care services that best suit their family's needs; (3) encourage States to provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings; (4) assist States in delivering high-quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance; (5) assist States in improving the overall quality of child care services and programs by implementing the health, safety, licensing, training, and oversight standards established in this subchapter and in State	SEC. 1. SHORT TITLE. The Child Care Modernization Act of 2025 SEC. 2. PURPOSES. (b) Purposes.--The purposes of this subchapter are-- (1) to allow each State maximum flexibility in developing and implementing a mixed delivery system to provide child care that best suit the needs of children and working parents within that State; (4)assist States in delivering high-quality, coordinated child care services to maximize parents' options to cover the full workday and full work year, to support continuity of care for children, and to support parents trying to achieve independence from public assistance;

	law (including State regulations); (6) improve child care and development of participating children; and (7) increase the number and percentage of low-income children in high-quality child care settings.	(5) assist States in improving the overall quality of child care by implementing the health, safety, licensing, early learning and development, professional, and oversight standards established in this subchapter and in State law (including State regulations); (6) to assist States - “(A) in supporting the educational and professional development of child care staff; and “(B) in supporting child care providers in the recruitment of, professional development for, and retention of a qualified child care workforce; and
<u>§ 9858n.</u> <u>Definitions</u> Section 658A	For the purposes of the CCDBG Act, defines: (1) “caregiver” as an individual who provides a service directly to an eligible child on a person-to-person basis. (2) “child care certificate” as a certificate (that may be a check or other disbursement) that is issued by a state or local government under the CCDBG Act directly to a parent who may use such certificate only as payment for child care services or as a deposit for child care services if such a deposit is required of other children being cared for by the provider. Nothing in the CCDBG Act shall preclude the use of such certificates for sectarian child care services if freely chosen by the parent. For purposes of the CCDBG Act, child care certificates shall not be considered to be grants or contracts. (3) “child with a disability” as a child: (A) with a disability, as defined in §602 of the IDEA (20 U.S.C. 1401); (B) who is eligible for early intervention services under	SEC. 3. DEFINITIONS. (3) “child with a disability” as a child: (A) with a disability, as defined in §602 of the IDEA (20 U.S.C. 1401); (B) who is eligible for early intervention services under

	IDEA Part C; (C) who is less than 13 years of age and eligible for services under 29 U.S.C. §794; and (D) with a disability, as defined by the state involved. (4) “eligible child” as an individual— (A) who is less than 13 years of age; (B) whose family income does not exceed 85% SMI for a family of the same size, and whose family assets do not exceed \$1,000,000 (as certified by a member of such family); and (C) who— (i) resides with a parent or parents who are working or attending a job training or educational program; or (ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i). (5) “English learner” as an individual who is an English learner, as defined in 20 U.S.C. §7801, or who is limited English proficient, as defined in §9832. (6) “eligible child care provider” as— (A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that— (i) is licensed, regulated, or registered under state law as described in §9858c(c)(2)(F); and (ii) satisfies the state and local requirements, including those referred to in §9858c(c)(2)(I); applicable to the child care services it provides; or (B) a child care provider 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, great grandchild, sibling (if	IDEA Part C; and (C) who is less than 13 years of age and eligible for services under 29 U.S.C. §794. (5) “eligible child” as an individual “(A) who is less than 13 years of age; “(B)(i) whose family income does not exceed 85% SMI for a family of the same size; or a higher percentage of that income in a State with a waiver under section 6581(c)(1)(B); and whose family assets do not exceed \$1,000,000 (as certified by a member of such family); and “(C) who— (i) resides with a parent or parents who are participating in an eligible activity; “(ii) is a child experiencing homelessness, a child in kinship care, or a child who is receiving, or needs to receive, child protective services; or “(iii) resides with a parent who is more than 65 years of age.”; (4) “Eligible activity” is 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, (F) health treatment (including mental health and substance use treatment) that prevents the parent involved from participating in other eligible activities; (G) activities to prevent child abuse or neglect, or family violence prevention or intervention activities;
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	such provider lives in a separate residence), niece, or nephew of such provider, if such provider complies with any applicable requirements that govern child care provided by the relative involved. (7) "family child care provider" as an individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, and in a private residence. (8) "Indian tribe" has the meaning given it in 25 U.S.C. §5304(e). (9) "lead agency" as the agency designated or established under §9858b(a).	(H-J) employment and training activities under the employment and training program of SNAP, WIOA, and TANF (K) taking leave under the FMLA (or equivalent provisions for Federal employees), a State or local paid or unpaid leave law, or employer-provided leave. (7) "eligible child care provider" as – (A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that— (i) is licensed, regulated, or registered under state law as described in §9858c(c)(2)(F); and (ii) satisfies the state and local requirements, including those referred to in §9858c(c)(2)(I); applicable to the child care services it provides; or (B) a child care provider that is 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, great grandchild, sibling (if such provider lives in a separate residence), niece, or nephew of such provider, if such provider complies with any applicable requirements that govern child care provided by the relative involved; or (C) notwithstanding section 645(a)(1)(B) of the Head Start Act, a Head Start agency. Notwithstanding subparagraph (B), a licensed, regulated, or registered care provider (or a staff member of the child care provider) who is eligible for assistance under CCDBG can care for their own children if other eligible children are also being cared for by that provider.
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	(10) "parent" includes a legal guardian, foster parent, or other person standing in loco parentis. (11) "scientifically valid research" includes applied research, basic research, and field-initiated research, for which the rationale, design, and interpretation are soundly developed in accordance with principles of scientific research. (12) "Secretary" as the Secretary of Health and Human Services unless the context specifies otherwise. (13) "sliding fee scale" as a system of cost sharing by a family based on income and size of the family. (14) "state" as any of the several states, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. (15) "tribal organization" (A) "tribal organization" has the meaning given it in 25 U.S.C. §5304(l). (B) Such term includes a Native Hawaiian Organization, as defined in 20 U.S.C. §4909(4) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.	(8) 'family child care provider' means an individual who provides child care services in a private residence— (A) for fewer than 24 hours per day per child; or (B) for 24 hours per day per child due to the nature of the work of the parent involved. (9) 'homeless child' as – an individual described in section 725(2) of the McKinney-Vento Homeless Assistance Act. 10) 'Indian Tribe' or 'Indian tribe' has the meaning given it in section 5304(e) of title 25. (12) 'mixed delivery system' means a system of child care services that— (A) promotes parental choice "(B) delivers services through a combination of programs offered by eligible child care providers (including faith-based and community-based providers) in a variety of settings (including family child care homes, centers, Head Start, and public and private schools); and "(C) may be supported with a combination of public and private funds."; (15) "Secretary" means the Secretary of Health and Human Services except as otherwise specified. (18) 'Tribal organization' or 'tribal organization' has the meaning given in section 5304(l) of title 25.
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<u>§ 9858.</u> <u>Appropriations</u>	\$2,360,000,000 in FY2015; \$2,478,000,000 in FY2016; \$2,539,950,000 in FY2017; \$2,603,448,750 in FY2018; \$2,668,534,969 in FY2019; and \$2,748,591,018 in FY2020.	SEC. 4. AUTHORIZATION OF APPROPRIATIONS There is authorized to be appropriated to carry out this subchapter (other than section 658T) such sums as may be necessary for each of fiscal years 2026 through 2030.
<u>§ 9858b.</u> <u>Lead agency</u>	(a) Requires governors to designate an agency (may be an appropriate collaborative agency) or establish a joint interagency office to serve as the lead agency for the state. (b)(1) Requires lead agencies to: (A) administer, directly or through other governmental or nongovernmental agencies, the financial assistance the state receives; (B) develop the State plan to submit to the Secretary (C) hold at least one hearing to provide an opportunity for the public to comment on the plan (D) coordinate the provision of services under the CCDBG Act with other Federal, state and local child care and early childhood development programs; and (E) allow for collaboration and coordination with Indian tribes or tribal organizations in developing the State plan. (2) develop the state plan in consultation with appropriate representatives of units of general purpose local government	SEC.5. LEAD AGENCY. (2 (A-D)) develop the state plan in meaningful consultation with parents of children eligible for CCDBG, including parents of children in an identified priority population; eligible providers from various geographic areas and different types of providers; employers of various sizes and with various schedules whose employees rely on child care; and appropriate representatives of units of general purpose local government and, as appropriate, of Indian Tribes and Tribal organizations.
<u>§ 9858c.</u> <u>Application and plan</u>	(a)-(b) To be eligible for assistance, requires states to prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by rule require,	SEC. 6. APPLICATION AND PLAN.

658E	including an assurance that the state will comply with CCDBG requirements and a 3-year state plan that meets the requirements outlined below. The Secretary shall approve an application that satisfies these requirements. (c) Requires the state plan to: (1) Identify the lead agency. (2)(A) Provide assurances that and describe how parents will have the option either to enroll with a provider that has a grant or contract for the provision of such services (selected by the parent to the maximum extent practicable); OR receive a child care certificate, the value of which is commensurate with the subsidy value of child care services provided under a grant or contract. (2)(B) Certify and describe in detail procedures in effect to ensure participating providers afford parents unlimited access to their children and the providers caring for them during normal operating hours and whenever their children are in their care. (2)(C) Certify the state maintains a record of substantiated parental complaints and makes information regarding such parental complaints available to the public on request and provide a detailed description of how such record is maintained and made available. (2)(D) Certify that within 1 year of adopting policies and practices to license or regulate participating providers and their facilities, the state will publish the results of monitoring and inspection reports electronically in a consumer-friendly and easily accessible format, organized by provider, including those due to major substantiated complaints about failure to comply, as well as the number of deaths, serious injuries, and instances of substantiated child abuse that occurred in child care settings each year, for eligible providers	(2)(D) Certify that the State will electronically publish, in a consumer-friendly and easily accessible format, organized by provider, the results of monitoring and inspection reports, including those due to major substantiated complaints about failure to comply, as well as the number of deaths, serious injuries, and instances of substantiated child abuse that occurred in child care settings each year, for eligible child care providers within the State. The results shall also include information on the date of such an inspection, and information on corrective action taken, if any.
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	within the state. The results shall also include information on the date of such inspection and information on corrective action taken, if any. (2)(E) Certify the state will collect and disseminate to parents of eligible children, the general public, and, where applicable, providers (through CCR&Rs or other means determined by the state, except as otherwise specified) — (i) information about the availability of the full diversity of child care services that will promote informed child care choices and that concerns— (I) the availability of CCDBG-authorized child care programs and, if feasible, other state-provided child care services and programs a family may be eligible for, as well as the availability of financial assistance to obtain child care; (II) the quality of providers, as determined by the state, that can be provided through a Quality Rating and Improvement System (QRIS) (if available); (III) the process for licensing providers, conducting background checks, and provider monitoring and inspections, and the offenses that prevent individuals and entities from serving as providers (posted on a state website); (IV) other programs families receiving subsidies child care services may be eligible for, including TANF, Head Start and Early Head Start, LIHEAP, SNAP, WIC, CACFP, and Medicaid and state CHIP programs; (V) IDEA Part C and Part B, Sec. 619 programs; (VI) research and best practices concerning children’s development, including social and emotional development, early	(2)(E)(i) information about the availability of the full diversity of child care services, offered through a mixed delivery system, that will promote informed child care choices and that concerns— (I) the availability of CCCDBG-authorized child care services (including information on the hours and days of operation and ages served) and, if feasible, other state-provided child care services and other programs which the family may be eligible, as well as the availability of financial assistance to obtain child care; (IV) other programs families receiving subsidies child care services may be eligible for, including TANF, Head Start and Early Head Start, LIHEAP, SNAP, WIC, CACFP, Medicaid and state CHIP programs, and MIECHV;
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	childhood development, and meaningful parent and family engagement, and physical health and development (particularly healthy eating and physical activity); and (VII) state policies regarding the social-emotional behavioral health of young children, which may include positive behavioral intervention and support models, and policies on expulsion of preschool-aged children, in early childhood programs receiving CCDBG assistance; and (ii) information on developmental screenings, including— (I) resources and services available when the plan is submitted to conduct developmental screenings and provide referrals to services, including the coordinated use of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) for children enrolled in Medicaid and developmental screening services available under IDEA Part C and Part B, Sec. 619; and (II) how a family or eligible provider may utilize such resources and services to obtain developmental screenings for children receiving subsidies who may be at risk for cognitive or other developmental delays, which may include social, emotional, physical, or linguistic delays. (2)(F) Certify and describe in detail licensing requirements the state has in effect applicable to child care services and how such requirements are effectively enforced. If states use CCDBG funds to	
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	support providers exempt from such requirements, the plan shall describe why such exemption does not endanger the health, safety, or development of children (2)(G)(i) Describe the training and professional development requirements in effect and applicable to participating providers to enable them to promote the social, emotional, physical, and cognitive development of children and to improve the knowledge and skills of the child care workforce. (ii) Provide an assurance that such training and professional development— (I) is conducted on an ongoing basis, provide for a progression of professional development (which may include encouraging the pursuit of postsecondary education), reflect current research and best practices relating to the skills necessary for the child care workforce to meet the developmental needs of participating children, and improve the quality of, and stability within, the child care workforce; (II) is developed in consultation with the State Advisory Council on Early Childhood Education and Care (State Advisory Council), designated or established pursuant to the Head Start Act, and may engage training providers in aligning training opportunities with the state's training framework; (III) incorporates knowledge and application of the state's early learning and developmental guidelines, if any; the state's health and safety standards; and incorporates social-emotional behavior	(II) is developed in consultation with the State Advisory Council on Early Childhood Education and Care, designated or established pursuant to the Head Start Act;
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	intervention models, which may include positive behavior intervention and support models; (IV) is accessible to providers supported through Indian tribes or tribal organizations that receive CCDBG assistance; and (V) to the extent practicable, is appropriate for a population of children that includes— (aa) different age groups; (bb) English learners; (cc) children with disabilities; and (dd) Native Americans, including Indians and Alaska Natives, and Native Hawaiians. (iii) Include the number of hours of training required for eligible providers and caregivers to engage in annually, as determined by the state. (iv) Specifies the Secretary shall not require a CCDBG provider to acquire a credential, however, a state may require a credential. (2)(H)(i) Describe child care standards for CCDBG services appropriate to the type of child care setting involved, to provide for the safety and developmental needs of the children served, that address state-determined (I) group size limits for specific age populations; (II) the appropriate ratio between the number of children and the number of providers by age of the children; and (III) required qualifications for such providers. (ii) Allows the Secretary to offer guidance to states on child-to-provider ratios according to setting and age group, but prohibits requirements to maintain specific group size limits for specific age populations or child-to-provider ratios for CCDBG providers.	
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	(2)(I) Certify there are state or local requirements designed to protect the health and safety of children that are applicable to CCDBG providers that— (i) Relate to health and safety, including— (I) prevention and control of infectious diseases (including immunization) and grace periods that allow homeless children and children in foster care to receive CCDBG services while taking necessary action to comply with immunization and other health and safety requirements; (II) prevention of sudden infant death syndrome and use of safe sleeping practices; (III) the administration of medication, consistent with standards for parental consent; (IV) prevention of and response to emergencies due to food and allergic reactions; (V) building and physical premises safety, including identification of and protection from hazards that can cause bodily injury such as electrical hazards, bodies of water, and vehicular traffic; (VI) prevention of shaken baby syndrome and abusive head trauma; (VII) emergency preparedness and response planning for emergencies resulting from a natural disaster, or a man-caused event (such as violence at a child care facility); (VIII) the handling and storage of hazardous materials and the appropriate disposal of biocontaminants; (IX) if a provider offers transportation,	
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	appropriate precautions in transporting children; (X) first aid and cardiopulmonary resuscitation; and (XI) minimum health and safety training, to be completed pre-service or during an orientation period in addition to ongoing training, appropriate to the provider setting involved that addresses each of the requirements relating to matters described in subclauses (I) through (X); and (ii) May include requirements relating to nutrition, access to physical activity, or other subject areas determined necessary by the state to promote child development or protect children's health and safety. (2)(J) Certify procedures are in effect to ensure CCDBG providers comply with all applicable state and local health and safety requirements as described in subparagraph (I). (2)(K)(i) Certify the state has in effect policies and practices, applicable to licensing or regulating CCDBG providers and the facilities of those providers, that— (I) ensure individuals who are hired as licensing inspectors are qualified to inspect those providers and facilities, have received training in related health and safety requirements, and are trained in all aspects of the state's licensure requirements; (II) require licensing inspectors (or qualified inspectors designated by the lead agency) of those providers and facilities to perform inspections, with— (aa) not less than 1 prelicensure	(2)(J) Certify (i) procedures are in effect to ensure CCDBG providers comply with all applicable state and local health and safety requirements as described in subparagraph (I); and (ii) the state will review local health and safety requirements (including requirements for inspections under this subchapter and the CACFP program to determine redundancies and oversights that may exist, to ensure— (I) children receive child care services in healthy and safe environments; and (II) child care providers can easily identify, understand, and comply with applicable health and safety requirements.
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	inspection, for compliance with health, safety, and fire standards, of each such provider and facility in the state; and (bb) not less than annually, an unannounced inspection of each such provider and facility in the state for compliance with all child care licensing standards, which shall include an inspection for compliance with health, safety, and fire standards (inspectors may inspect for compliance with all 3 standards at the same time); (III) require the ratio of licensing inspectors to such providers and facilities to be at a level sufficient to enable the state to conduct inspections of such providers and facilities on a timely basis in accordance with Federal, state, and local law; and (IV) require licensing inspectors (or qualified inspectors designated by the lead agency) of providers and facilities to perform an annual inspection of each license-exempt CCDBG provider (unless the provider is an eligible provider as described in §9858n(6)(B)) for compliance with health, safety, and fire standards, at a time the state determines. (ii) At the state's request, allows the Secretary to offer guidance on a research-based minimum standard regarding ratios described in clause (i)(III) and provide technical assistance (TA) to the state on meeting the minimum standard within a reasonable time period, but prohibits a particular ratio requirement.	
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	(2)(L) Certify providers will comply with federal child abuse reporting requirements. (2)(M) Describe how the state will develop and implement strategies (which may include alternative reimbursement rates to providers, the provision of direct contracts or grants to community-based organizations, offering child care certificates to parents, or other means determined by the state) to increase the supply and improve the quality of child care services for (i) children in underserved areas; (ii) infants and toddlers; (iii) children with disabilities, as defined by the state; and (iv) children who receive care during nontraditional hours. (2)(N)(i)(I) Demonstrate that each child who receives CCDBG assistance will be considered eligible and receive such assistance for at least 12 months before redetermining eligibility regardless of a temporary change in the ongoing status of the child's parent as working or attending a job training or educational program or a change in family income for the child's family, if that family income does not exceed 85% of SMI. (II) Demonstrate how the processes for initial determination and redetermination of eligibility take into account irregular fluctuations in earnings. (ii) Describe the procedures and policies in place to ensure working parents (especially parents in families receiving TANF assistance) are not required to unduly disrupt their employment to comply with redetermination of eligibility. (iii) At the option of the state, demonstrate it will not terminate assistance based on a factor consisting of a parent's loss of work or cessation of attendance at a job training or educational program for which the family was	(2)(M) Describe how the State will develop and implement strategies (which may include alternative reimbursement rates to child care providers, the provision of direct contracts or grants to community-based organizations, offering child care certificates to parents, or other means determined by the State) to increase the supply and improve the quality of child care services for (i) children in underserved areas, including areas that have significant concentrations of poverty or unemployment and that do not have a sufficient supply of eligible child care providers; (ii) children experiencing homelessness, children in foster care, children in kinship care, and children who are receiving, or need to receive, child protective services; (iii) children in rural areas; (iii) infants and toddlers; (iv) children with disabilities; and (v) children who receive care during nontraditional hours. (2)(N)(i)(I) (iii)The State will not terminate assistance based on a factor consisting of a parent's loss of work or cessation of attendance at a job training or educational program for which the family was receiving the assistance, without continuing the
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	receiving the assistance without continuing the assistance for a reasonable period of time (at least 3 months) after such loss or cessation in order for the parent to engage in a job search and resume work, or resume attendance at a job training or educational program, as soon as possible. (iv) Describe the policies and procedures in place to allow for provision of continued assistance at the beginning of a new eligibility period under clause (i)(I), for parents working or attending a job training or educational program whose family income exceeds the state's income limit (if the family income does not exceed 85% SMI). (2)(O)(i) Describe how the state, in order to expand accessibility and continuity of care and assist children enrolled in early childhood programs to receive full-day services, will efficiently, and to the extent practicable, coordinate CCDBG services with Federal, state, and local preschool programs, tribal early childhood programs, and others, including those serving infants and toddlers with disabilities, homeless children, and children in foster care. (ii) If the state combines funding for CCDBG services with funding for any program described in clause (i), describe how it will combine and use the funding. (iii) Specifies nothing in clause (i) shall be construed to affect the priority of such children to receive full-day prekindergarten or Head Start program services. (2)(P) Demonstrate how the state encourages partnerships among state agencies, other public agencies, Indian tribes and tribal organizations, and private entities, including faith-based and	assistance for a reasonable period of time (at least 3 months) after such loss or cessation in order for the parent to engage in a job search and resume work, or resume attendance at a job training or educational program, as soon as possible. (2)(O)(i) Describe how the state, in order to expand accessibility and continuity of care and assist children enrolled in early childhood programs to receive full workday and full work year services, will efficiently, and to the extent practicable, coordinate CCDBG services with Federal, State, and local preschool programs, tribal early childhood programs, and other early childhood programs, including those serving infants and toddlers with disabilities, homeless children, and children in foster care.
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	community-based organizations, to leverage existing service delivery systems for child care and development services and to increase the supply and quality of child care services for children under 13, such as by implementing voluntary shared services alliance models. (2)(Q) In investments made to increase access to high-quality child care and development services, describe how the state will prioritize children of families in areas with significant concentrations of poverty and unemployment and without access to such programs. (2)(R) Certify the state has developed the plan in consultation with the State Advisory Council. (2)(S) Include— (i) A certification that the payment practices of CCDBG providers reflect generally accepted payment practices of providers who do not receive CCDBG assistance, so as to provide stability of funding and encourage more providers to serve children who receive CCDBG assistance; and (ii) An assurance the state will, to the extent practicable, implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider reimbursement rates from an eligible child's occasional absences due to holidays or unforeseen circumstances such as illness. (2)(T)(i) Include an assurance the state will maintain or implement early learning and developmental guidelines appropriate for children from birth to kindergarten entry, describing what such children should know and be able to do, and covering the essential domains of early childhood development for use statewide by providers. Such guidelines shall be—	(2)(S)(ii) an assurance that the State will implement enrollment and eligibility policies that support the fixed and operational costs of providing child care services by delinking provider reimbursement rates from an eligible child's occasional absences due to holidays or unforeseen circumstances such as illness.
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	(I) Research-based, developmentally appropriate, and aligned with entry to kindergarten; (II) Implemented in consultation with the state educational agency and the State Advisory Council; and (III) Be updated as determined by the state. (ii) Include an assurance that CCDBG funds will not be used to develop or implement an assessment for children that will be used: (I) As the sole basis for a provider being determined ineligible to participate in CCDBG; (II) As the primary or sole basis to provide a reward or sanction to an individual provider; (III) As the primary or sole method for assessing program effectiveness; or (IV) To deny children eligibility to participate in CCDBG. (iii) Specifies nothing in the CCDBG Act shall preclude the state from using a single assessment as determined by the state for children for— (I) Supporting learning or improving a classroom environment; (II) Targeting professional development to a provider; (III) Determining the need for health, mental health, disability, developmental delay, or family support services; (IV) Obtaining information for the quality improvement process at the state level; or (V) Conducting a program evaluation for the purposes of providing program improvement and parent information.	
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	(iv) Specifies nothing in the CCDBG Act allows an officer or employee of the Federal Government to: (I) Mandate, direct, control, or place conditions (outside of what is required by the CCDBG Act) around adopting a state's early learning and developmental guidelines developed in accordance with this section; (II) Establish criteria that specifies, defines, prescribes, or places conditions (outside of what is required by the CCDBG Act) on a state adopting standards or measures that a state uses to establish, implement, or improve such guidelines, related accountability systems, or alignment of such guidelines with education standards; or (III) Require a state to submit such guidelines for review. (2)(U)(i) Demonstrate the way the state will address the needs of children receiving CCDBG services, including the need for safe child care, for the period before, during, and after a state of emergency declared by the Governor or a major disaster or emergency. (ii) Include a statewide child care disaster plan for coordination of activities and collaboration, in the event of such an emergency or disaster, among the state lead agency; the state agencies with jurisdiction over human services, state emergency planning and licensing of providers; the local CCR&Rs; the state resource and referral system; and the State Advisory Council. (iii) The disaster plan shall include— (I) evacuation, relocation, shelter-in-place,	(2)(U) (ii) Include a statewide child care disaster plan for coordination of activities and collaboration, in the event of an emergency or disaster, among the State agency with jurisdiction over human services, the agency with jurisdiction over State emergency planning, the State lead agency, the State agency with jurisdiction over licensing of child care providers, State and local health agencies, the local CCR&Rs, and the State Advisory Council.
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	and lock-down procedures, and procedures for communication and reunification with families, continuity of operations, and accommodation of infants and toddlers, children with disabilities, and children with chronic medical conditions; (II) guidelines for the continuation of child care services in the period following the emergency or disaster, which may include the provision of emergency and temporary child care services and temporary operating standards for providers during that period; and (III) procedures for staff and volunteer emergency preparedness training and practice drills. (2)(V) Describe how the state will develop and implement strategies to strengthen the business practices of providers to expand the supply and improve the quality of child care services. (3)(A) Provide that the state will use CCDBG funds in accordance with subparagraphs (B)-(D): (3)(B)(i) For child care services on a sliding fee scale basis; activities that improve the quality or availability of such services; activities that improve access to child care services, including procedures to permit enrollment (after an initial eligibility determination) of homeless children while required documentation is obtained, training and TA on identifying and serving homeless children and their families, and specific outreach to homeless families; and any other activity the state determines appropriate to meet the purposes of the CCDBG Act (which may include an activity described in clause (ii)), with priority for children of	(iii)(II) guidelines for the continuation of child care services in the period during and following the emergency or disaster, which shall include guidelines for the provision of emergency and temporary child care services, and temporary operating standards for child care providers during that period; and (2)(V) Describe how the State will support child care business technical assistance including supporting— (i) provision of strategies to support management coaching and the use of core best business practices; (ii) shared services initiatives including provider networks; and (iii) coordination of activities with programs of the SBA, USDA, and other Federal, State, and local programs supporting child care businesses.
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	families with very low family incomes and children with special needs. (ii)(I) By Sept. 30 of each fiscal year, the Secretary (acting through the Assistant Secretary for Children and Families of HHS) shall prepare a report determining whether each state uses amounts in accordance with such priorities. (II) If a state has failed to prioritize services as required, the Secretary shall— (aa) inform the state it has 6 months from when the report was issued to fully comply; (bb) allow the state to modify its state plan to be consistent with the requirements and resubmit it within that timeframe; and (cc) if the state does not comply, withhold 5% of the funds the following fiscal year. (III) In extraordinary circumstances, such as a natural disaster, the Secretary may grant a 1-year waiver to the 5% penalty and, within 30 days of granting such waiver, submit a report to the appropriate congressional committees on the circumstances of the waiver, including the stated reason for the need for a waiver, the expected impact of the waiver on children served, and any other relevant information the Secretary deems necessary. (iii)(I) To establish or support a system of local or regional CCR&R that is coordinated, to the extent determined appropriate by the state, by a statewide public or private nonprofit, community-based or regionally based, lead CCR&R.	
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	(II) The local or regional CCR&R shall— (aa) provide parents with consumer education information referred to in paragraph (2)(E) (except as otherwise provided in that paragraph), concerning the full range of child care options (including faith-based and community-based providers), analyzed by provider, including child care provided during nontraditional hours and through emergency child care centers, in their political subdivisions or regions; (bb) to the extent practicable, work directly with families receiving CCDBG assistance to offer support and assistance (using information described in (aa)) to make an informed decision about which providers they will use in an effort to ensure they are enrolling their children in a high-quality setting that suits their needs; (cc) collect data and provide information on the coordination of services and supports, including services under IDEA Part C, and Part B §619, for children with disabilities; (dd) collect data and provide information on the supply of and demand for child care services in political subdivisions or regions within the state and submit such information to the state; (ee) work to establish partnerships with public agencies and private entities, including faith-based and	
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	community-based providers, to increase the supply and quality of child care services in the state; and (ff) as appropriate, coordinate their activities with the activities of the state lead agency and local agencies that administer CCDBG funds. (3)(C) For administrative costs (not including the cost of providing direct services), up to 5% of total CCDBG annual funds. (3)(D) To provide assistance to low-income working families including or in addition to families with children described in clause (i), (ii), (iii), or (iv) of paragraph (2)(M). (3)(E)(i) Reserve the required funds for activities to improve the quality of child care services and for administrative costs (as outlined in §9858e); and (ii) Use at least 70% of the remaining funds to fund direct services in accordance with paragraph (2)(A). (4)(A) Certify payment rates are sufficient to ensure eligible children have equal access to services comparable to services provided to children whose parents are not eligible for CCDBG or any other state or federal child care assistance and summarize the facts relied on to determine such rates are sufficient. (4)(B)(i) Demonstrate the state has, after consulting with the State Advisory Council, local child care program administrators, local CCR&Rs, and other appropriate entities, developed and conducted (and within 2 years of submitting the state plan) a statistically valid and reliable survey of the market rates for child care services that reflects variations in the cost of services by geographic area, type of	<i>Strikes (4(A-B)), replaces market rate survey with cost modeling–</i> (4)(A)(i-ii) Within 5 years, certify payment rates for the provision of child care services will be sufficient to meet the cost of providing the child care services, including the fixed and operational costs of providing the child care services; and will be set and paid in accordance with a cost estimation model described in subparagraph (B). (4)(B)(i) Demonstrate that the state, after consulting with eligible child care providers that represent geographic areas of the State and types of providers within the State's mixed delivery system, State and local program administrators, local CCR&Rs, and other appropriate entities, has developed and uses (or will develop and use) a statistically valid and reliable cost estimation model for the
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	provider, and age of child or an alternative methodology, such as a cost estimation model, developed by the lead agency; (ii) Demonstrate the state prepared a detailed report containing the results of its market rates survey or alternative methodology and made the results of the survey or alternative methodology widely available (not later than 30 days after the completion of such survey or alternative methodology) through periodic means, including posting the results online; (iii) Describe how the state will set payment rates for CCDBG child care services— (I) in accordance with the results of the market rates survey or alternative methodology; (II) taking into consideration the cost of providing higher quality child care services than were provided before Nov. 19, 2014; and (III) without, to the extent practicable, reducing the number of families receiving CCDBG assistance relative to the number of such families on Nov. 19, 2014; and (iv) Describe how the state will provide for timely payment for child care services. (4)(C)(i) Specifies nothing in this paragraph shall be construed to create a private right of action if the state acted in accordance with this paragraph. (ii) Specifies nothing in the CCDBG Act shall be construed to prevent a state from differentiating the payment rates described in subparagraph (B)(iii) on the basis of such factors as— (I) geographic location of providers (such as location in an urban or rural area);	direct payment rates for providers of child care services in the State, that— (I) reflects the costs of service delivery, including fixed costs, operating expenses; (II) reflects the cost of staff salaries and benefits necessary to sufficiently recruit, train, and retain a qualified child care workforce;(II)(aa-ee) reflects variations in the costs of service delivery by submarket, type of provider, and children served, including by geographic area; ages of children; whether the children have particular needs; whether the providers provide services during weekend and other nontraditional hours; and quality of child care provider; and (III)(aa-bb) is reviewed every 2 years and adjusted as necessary to ensure payment rates remain sufficient; and provide a cost of living increase to maintain the level of services provided during the year of the review; and describe how the State will provide for timely payments for child care services. (4)(C) Construction.—Nothing in this paragraph shall be construed to create a private right of action if the State acted in accordance with this paragraph. (4)(D) The Secretary may offer guidance to States on cost estimation models described in subparagraph (B), but shall not require a State to adopt a particular cost estimation model or element of a particular cost estimation model [except as described in (B)(i)].
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	(II) the age or particular needs of children (such as the needs of children with disabilities and children served by child protective services); (III) whether the providers offer services during nontraditional hours; or (IV) the state's determination that such differentiated payment rates allow a parent to choose high-quality child care that best fits the parent's needs. (5) Provides that the state will establish and periodically revise, by rule, a sliding fee scale that provides for family cost sharing (that is not a barrier to families receiving CCDBG assistance).	(5)(A) Provides that the State will establish and periodically revise, by rule, a sliding fee scale to determine a full copayment for a family receiving assistance (or, for a family receiving part-time care, a reduced copayment) and that is not a barrier that restricts families from accessing CCDBG assistance.
<u>§ 9858e.</u> <u>Activities to improve the quality of child care</u>	(a)(1-3) Requires states to reserve 1) a minimum percentage of funds (9% after 5-year phase in) for activities provided directly, or through grants or contracts with local CCR&Rs or other appropriate entities, designed to improve the quality of child care services and increase parental options for and access to high-quality child care, in alignment with a statewide needs assessment for such services and care; 2) 3% of funds for such activities as they relate to the quality of care for infants and toddlers. States may reserve a larger percentage of funds for these purposes. (b) Requires states to use quality improvement funds to carry out 1 or more of the following activities: (1) Supporting the training and professional development of the child care workforce through activities such as those included under §9858c(c)(2)(G), in addition to—	SEC.7. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE. (a)(1) Requires states to reserve and use a portion of funds for activities provided directly, or through grants or contracts with local CCR&Rs or other appropriate entities, that are designed to improve the quality of child care services and increase parental options for, and access to, high-quality child care, and is in alignment with a statewide assessment for such services and care. The State shall include developing and expanding initiatives to assist child care providers in their efforts to recruit, train, and retain qualified child care workforce. (a)(2)(A-B) The state shall reserve and use at least 9% of the funds described in paragraph (1) for each fiscal year; and 3% of funds for such activities as they relate to the

	(A) offering training and professional development for providers related to the use of scientifically-based, developmentally-appropriate and age-appropriate strategies to promote children's social, emotional, physical, and cognitive development, including those related to nutrition and physical activity, and offering specialized training for providers caring for those populations prioritized in §9858c(c)(2)(Q) and children with disabilities; (B) incorporating the effective use of data to guide program improvement; (C) including effective behavior management strategies and training, including positive behavior interventions and support models, that promote positive social and emotional development and reduce challenging behaviors, including reducing expulsions of preschool-aged children for such behaviors; (E) providing training and outreach on engaging parents and families in culturally and linguistically appropriate ways to expand their knowledge, skills, and capacity to become meaningful partners in supporting their children's positive development; (F) providing training corresponding to children's nutritional and physical activity needs to promote healthy development; (G) providing training or professional development regarding children's early neurological development; and (H) connecting staff with available financial aid or other resources to assist them in pursuing relevant postsecondary training. (2) Improving the development or implementation of the	quality of care for infants and toddlers. States may reserve a larger percentage of funds for these purposes.
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	early learning and developmental guidelines described in §9858c(c)(2)(T) by providing TA to eligible providers that enhances the cognitive, physical, social and emotional development, including early childhood development, of participating preschool and school-aged children and supports their well-being. (3) Developing, implementing, or enhancing a tiered QRIS for providers and services, which may— (A) support and assess provider quality; (B) build on state licensing standards and other state regulatory standards for such providers; (C) be designed to improve the quality of different types of providers and services; (D) describe the safety of child care facilities; (E) build the capacity of state early childhood programs and communities to promote parents' and families' understanding of the early childhood system and the program ratings; (F) provide financial incentives and other supports designed to expand the full diversity of child care options and help providers improve quality; and (G) accommodate a variety of approaches to early learning and care, including those practiced in faith-based settings, community-based settings, child-centered settings, or similar settings that offer a distinctive approach to child development. (4) Improving the supply and quality of infant and toddlers care through activities that may include: (A) establishing or expanding high-quality community-based family and child development centers, which may serve as resources to help eligible providers to improve the quality of services provided to low-income families; (B) establishing or expanding community or neighborhood-based family child care networks;	
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	(C) promoting and expanding providers' ability to provide developmentally appropriate services for infants and toddlers through training and professional development; coaching and TA on this age group's needs from statewide networks of qualified infant-toddler specialists; and coordination with early intervention specialists who provide services under IDEA Part C; (D) developing infant and toddler components within the state's QRIS or in licensing regulations or early learning and development guidelines; (E) improving parents' ability to access transparent and easy to understand consumer information about high-quality infant and toddler care; and (F) carrying out other evidence-based activities determined by the state to improve infant and toddler care, including providing health and safety training for providers and caregivers. (5) Establishing or expanding a statewide system of CCR&R services. (6) Facilitating compliance with state requirements for inspection, monitoring, training, and health and safety, and with state licensing standards. (7) Evaluating and assessing the quality and effectiveness of child care programs and services offered, including evaluating how such programs positively impact children. (8) Supporting providers in the voluntary pursuit of accreditation by a national accrediting body with demonstrated, valid, and reliable program standards of high quality. (9) Supporting state or local efforts to develop or adopt high-quality program standards relating to health, mental health, nutrition, physical activity, and physical development. (10) Carrying out other activities to improve the quality of child care services provided and for which	
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	measurable outcomes related to provider preparedness, child safety, child well-being, or entry to kindergarten are possible. (c) At the beginning of each fiscal year, requires the state to certify that it complied with subsection (a) during the preceding fiscal year and a description of how the state used such funds. (d) Requires the state to prepare and submit an annual report to the Secretary, which shall include information about 1) the amount of funds reserved; 2) the activities carried out; and 3) the measures the state will use to evaluate its progress in improving the quality of child care programs and services. (e) At the state's request, requires the Secretary to offer TA in accordance with §9858g(a)(3), including through the use of grants or cooperative agreements, for quality improvement activities. (f) Specifies nothing in this section shall be construed as giving the Secretary authority to regulate, direct, dictate, or place conditions (outside of what is required by the CCDBG Act) on a state adopting specific state child care quality activities or progress in implementing those activities.	
<u>§ 9858g.</u> <u>Administrati</u> <u>on and</u> <u>enforcement</u> Section 658I	(a) Requires the Secretary to— (1) coordinate all HHS activities relating to child care, and, to the maximum extent practicable, coordinate with such activities other Federal entities; (2) collect, publish, and make publicly available state child care standards at least every 3 years; (3) provide technical assistance, such as business technical assistance, to states (which may include providing assistance on a reimbursable basis) by qualified experts on practices grounded in scientifically valid research; (4) disseminate information on practices that research	SECTION 8. WAIVERS OF INCOME REQUIREMENT

	indicates are most successful in improving the quality of programs that receive CCDBG; and (5) after consultation with the heads of other relevant Federal agencies, issue guidance and disseminate information on best practices regarding the use combining funding across early childhood programs. (b)(1) Requires the Secretary to review and monitor state compliance with CCDBG. (b)(2)(A)(i-ii) If the Secretary, after reasonable notice and opportunity for a hearing, finds a state in noncompliance, the Secretary shall notify the state and require that the state reimburse the federal government for any funds that were improperly expended, and that the Secretary deduct from the administrative portion of the state's allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options. (b)(2)(B) Allows the Secretary to impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized CCDBG, and disqualification from the receipt of financial assistance. (b)(3)(A-B) The Secretary shall establish procedures for receiving, processing, and determining the validity of complaints concerning any failure to comply with the state plan or any requirement CCDBG and for imposing sanctions. (c)(1) Upon state request, the Secretary may waive for a period of no more than 3 years any provision under this subchapter or sanctions imposed if– (A)the request describes 1 or more conflicting or duplicative requirements preventing the effective delivery of child care services, extraordinary circumstances, such as natural disaster or financial	(c)(1) The Secretary may waive for a period described in paragraph (5) any provision under this subchapter or sanctions imposed if– (A)(i) the request describes 1 or more conflicting or duplicative requirements preventing the effective delivery of child care services, extraordinary
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	crisis, or an extended period of time for a state legislature to enact legislation to implement the provisions of this subchapter; (B) circumstances prevent the State from complying with any statutory or regulatory requirements of CCDBG; (C) the waiver will, by itself, contribute to or enhance the state's ability to carry out the purposes of CCDBG; and, (D) the waiver will not contribute to inconsistency with the objectives of this law. (c)(2)(A-C) A request for relief shall be provided to the Secretary in writing and will— detail each sanction or provision that the state seeks relief from; describe how a waiver will, by itself, improve delivery of child care services for children; and certify that the health, safety, and well-being of children served by CCDBG will not be compromised as a result of the waiver. (c)(3) The Secretary has 90 days to inform the state of approval or disapproval of the request. If the plan is not approved, the Secretary must inform the State and Congress of the reasons and give the State the opportunity to amend the request. If approved, the Secretary has 30 days to notify and submit a report to Congress on the circumstances of the waiver including each specific sanction or provision waived, the reason as given by the state of the need for a waiver, and the expected impact of the waiver on children served. (c)(4) The Secretary shall not require or impose any new or additional requirements in exchange for receipt of a waiver if such requirements are not specified in this subchapter. (c)(5) The Secretary may approve a request under this	circumstances, such as natural disaster or financial crisis, or an extended period of time for a state legislature to enact legislation to implement the provisions of this subchapter; (ii) circumstances prevent the State from complying with any statutory or regulatory requirements of CCDBG; (iii) the waiver will, by itself, contribute to or enhance the state's ability to carry out the purposes of CCDBG; and, (iv) the waiver will not contribute to inconsistency with the objectives of this law; Or (B) the State has a maximum income standard that meets section 658A(5)(B)(i)--85% SMI eligibility— and requests the waiver to raise that standard to a higher income threshold. (c)(2)(A-C) A request for a waiver shall be provided to the Secretary in writing and will— detail each sanction or provision that the state seeks relief from; describe how a waiver will, by itself, improve delivery of child care services; and certify that the health, safety, and well-being of children served by CCDBG will not be compromised as a result of the waiver. (2)(D) States seeking a waiver of the 85% SMI eligibility requirement must include the maximum income standard that the state wishes to use; information demonstrating that the state is serving all eligible children to the best of their ability below the maximum income standard in that section, and will continue to prioritize and serve these children if a waiver is approved; information demonstrating that the state is fulfilling the State plan, particularly the needs of children in identified populations, and
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	subsection for a period not to exceed 3 years, unless a renewal is granted under paragraph (7). (c)(6) The Secretary shall terminate approval of a request for a waiver if it is determined that the performance of a state has been inadequate, or if such relief is no longer necessary to achieve its original purposes. (c)(7) The Secretary may approve or disapprove a request from a state for renewal of an existing waiver for a period no longer than 1 year. A state seeking renewal must inform the Secretary of this intent at least 30 days before the expiration date of the waiver. The State shall recertify in its request the provisions in paragraph (2) of this subchapter, and explain the need for additional time of relief from such sanction(s) or provisions approved. (c)(8) Nothing in this subchapter shall be construed as providing the Secretary the authority to permit States to alter the eligibility requirements for eligible children, including work requirements, job training, or educational program participation, that apply to the parents of eligible children. Nothing in this subsection shall be construed to allow the Secretary to waive anything related to his or her authority.	is using payment rates consistent with an appropriate cost estimation model. (c)(7)(A) GENERAL RENEWALS.—The Secretary may approve or disapprove a request from a State for renewal of an existing waiver for a period no longer than 1 year, in cases not related to the income eligibility requirement. A State must inform the Secretary at least 30 days prior to expiration. The State shall recertify in its renewal request the provisions in paragraph (2) of this subchapter, and explain the need for additional time of relief from such sanction(s) or provisions approved. (7)(B) RENEWALS OF INCOME REQUIREMENT WAIVERS.—A State may seek a renewal, of an existing waiver of section 658A(5)(B)(i)(I) under paragraph (1)(B) (including a previously renewed waiver), for a period no longer than 3 years. A State seeking that renewal shall inform the Secretary at least 30 days prior to the expiration of the waiver. The State shall recertify in its renewal request the provisions in paragraph (2). On determining that the State has accurately re-certified those provisions, the Secretary shall grant the renewal. (c)(8) Nothing in this subchapter, other than paragraph (1)(B), shall be construed as providing the Secretary the authority to permit States to alter the eligibility requirements for eligible children, including work requirements, job training, or educational program participation, that apply to parents of eligible children. Nothing in this subsection shall be construed to allow the Secretary to waive anything related to their authority under this subchapter. Nothing in this subsection,
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		including paragraph (1)(B), shall be construed to permit a State to deny or limit access, or increase copayments, as a direct result of attaining this waiver, for to child care services under this subchapter to any eligible child whose family income is below the maximum income standard described in section 6581(c)(1)(B)(i).
<u>42 U.S. Code</u> <u>§ 9858i -</u> <u>Reports and</u> <u>audits</u> Section 685K9(a)(2)	(a)(1)(A-B) Requires states to collect the following information on a monthly basis, with respect to a family unit receiving assistance under this subchapter— (i-xi) family income; county of residence; the gender, race, and age of children receiving such assistance; whether the head of the family unit is a single parent; the sources of family income, including employment, self-employment, cash or other assistance under TANF or state program; housing assistance; assistance under the Food and Nutrition Act of 2008; other assistance programs; the number of months the family has received benefits; the type of child care in which the child was enrolled; whether the child care provider involved was a relative; the cost of child care for such families; the average hours per month of such care; and whether the children receiving assistance are homeless. (1)(C-E) States must submit the above information to the Secretary on a quarterly basis. The state can use disaggregated case record information on a sample of families selected through scientifically acceptable sampling methods approved by the Secretary. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States. Such reports shall not	SEC. 9. REPORTS AND AUDITS.

	contain personally identifiable information. (a)(2) States must annually prepare and submit a report to the Secretary that includes aggregate data on: (A) the number and type of child care providers that received funding; (B) the monthly cost of child care services, and the portion of such cost that is paid for with CCDF dollars, by the type provider; (C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of provider; (D) how consumer education information was provided to parents and to how many; and (E) the total number (without duplication) of children and families served under this subchapter; and (F) the number of child fatalities occurring while in the care and facility of child care providers receiving assistance under this subchapter, listed by type of child care provider and licensing status. (b)(1-4) After the close of each program period covered by an application, requires a state to audit its expenditures during such program period from amounts received under this subchapter using an independent auditor. The State shall submit a copy of the audit to the legislature of the State and to the Secretary within 30 days of completion. Each State shall repay to the United States any amounts determined through an audit not to have been expended in accordance with this subchapter, or the Secretary may offset such amounts against any other amount to which the State is or may be entitled under this subchapter.	(a)(3)(A) In addition to existing reporting requirements, this new subsection would require states to report the following information related to the percentage of income families are spending on child care: (i)(I)(aa-bb) information on the percentage of income spent on child care for families that have children that are eligible to receive but are not receiving assistance; and are residing in the State; and (II) the child care options that are available to such families at an affordable rate; and (ii) a feasibility study on how, over the next five years, the State could (I) lower the percentage of the family income that the families spend on child care copayments; and (II) increase access to child care so that all eligible children receive child care. (iii) an analysis on the progress the State has made from the past 10 years – (I-IX) Child and family eligibility and enrollment; affordability of child care for eligible households; expansion of parental choice and equal access; payment rates and payment practices; recruiting and retaining a skilled, qualified and compensated child care workforce; quality improvement activities; lead agency coordination and partnership; family outreach and consumer education; program integrity and accountability (a)(3)(B) Reports to congress.—The Secretary shall submit a report to the Senate HELP Committee and the House Committee on Education and Workforce on the
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		information reported to the Secretary by States as described in subparagraph (A).
New: SEC. 658T. CHILD CARE SUPPLY AND FACILITIES GRANTS.		SEC. 12. CHILD CARE SUPPLY AND FACILITIES GRANTS. (a) The purposes of this section are to provide grants to States, territories, Indian Tribes, and Tribal organization to— (1) expand the supply and capacity of qualified child care providers and staff so that working parents have multiple high-quality child care options and can choose the child care services that best suit their family's needs; and (2) ensure child care facilities are designed and equipped to keep children healthy and safe and to enhance their physical, cognitive, and behavioral development. (b) The term 'qualified child care provider' means (1) an eligible child care provider that is providing, or seeking to provide, child care services to children eligible for CCDBG; or (2) a child care provider that has applied to become an eligible child care provider and that commits to provide child care services to children eligible for CCDBG. (c) There is authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2027-2030. (d)(1-3) Not more than 1% of the amount appropriated should be reserved for Federal administration. With the remaining funds, the Secretary shall make grants to States, territories, Indian Tribes, and Tribal organizations to carry out the activities described in subsection (f).

		(e)(1) To receive a grant, states must submit a plan to the Secretary, in such time and manner as determined by the Secretary. (2) Plans shall include descriptions of how the state will: (A) use funds received under this section for state-level activities under subsection (f)(1). (B) ensure that qualified child care providers in rural, suburban, and urban areas can readily apply for and access this funding, which shall include providing technical assistance either directly or through a third party which may include a CCR&R or a staffed family child care provider network. (C) prioritize subgrants to qualified child care providers in accordance with subsection (f)(5). (D) make publicly available (i) a notice of funding availability through subgrants for qualified child care providers; and (ii) the criteria for awarding subgrants for qualified child care providers, including the methodology the lead agency will use to determine the amounts of such subgrants for qualified child care providers. (E) A determination by the State of the duration of child care services required for qualified child care providers to receive subgrants under this subchapter. (f)(1-2) The lead agency can reserve no more than 10% of the grant funds for State-level activities, consisting of administering subgrants and providing technical assistance and support. The remainder of the grant funds awarded must be used to make subgrants.
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		(f)(3)(A) The lead agency shall make startup and supply expansion subgrants to qualified child care providers that are providing, or seeking to provide, child care services to eligible children, to— (i) support startup and expansion costs; (ii)(I-IV) assist providers in meeting the relevant health and safety requirements; the child-to-provider ratio standards; licensing and other relevant regulatory standards; and as applicable, the requirements of a state's QRIS; and (iii) establishing or expanding the operation of community- or neighborhood-based family child care networks; (iv) supporting access to child care services facing a particular shortage of child care options including child care services during nontraditional or extended hours, and child care services for children with disabilities. (f)(3)(B) Subgrantees commit to meeting the CCDBG requirements for an eligible child care provider and to providing child care services to eligible children, on an ongoing basis as determined by the State. (f)(4)(A)The lead agency shall make facilities subgrants to qualified child care providers that are providing, or seeking to provide, child care services to eligible children, notwithstanding section 658F(b)— (i) remodeling, renovation, or repair of a building or facility used for providing direct child care services; and (ii) construction, permanent improvement, or major renovation of a building or facility used for providing direct child care services. (f)(4)(B) Subgrantees shall commit to meeting the CCDBG requirements for an eligible child care provider and to
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		providing child care services to eligible children, on an ongoing basis as determined by the State. (f)(4)(C) Federal interest— (i) Federal law regarding a Federal interest in real property shall not apply to the renovation, remodeling, repair, or permanent improvement of privately owned family child care homes with funds provided under this paragraph, and the Secretary shall develop parameters for the use of such funds for family child care homes. (ii) If the Secretary retains a Federal interest in any facility constructed, renovated, remodeled, repaired, or permanently improved with funds provided under this paragraph, the Secretary shall not retain the Federal interest for more than 10 years. (f)(5) In awarding subgrants, the lead agency must prioritize providers serving priority populations of children. (g) These funds shall supplement and not supplant other Federal, State, and local public funds expended to increase the supply of child care and to improve child care facilities. (h) Documentation and Reporting Requirements.— (1) States must document use of grant funds. (2)(A) Not later than 12 months after awarding such grant, and annually for the duration of the grant, lead agencies must submit a report that includes a description of each lead agency program of subgrants, including— (i-ii) the number of eligible providers in operation and the number of child care slots at the start of the grant period, and 11 months later, disaggregated by age of children served,
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		geographic region, and child care setting, as well as priority populations served. (iii)(I-II) the number and percentage of providers that received each type of subgrant under subsection, disaggregated by age of children served, geographic region, and child care setting , and the average and range of the amounts of the subgrants awarded; and (iv) information concerning how providers used the subgrant funding received. (B) The Secretary shall transmit annually a report to Congress that provides national and State-level data for the information collected under subparagraph (A). “(i) Construction.—No reference in part 1 to ‘this subchapter’ shall be considered to refer to a provision of this part.”.
		SEC. 13. DEPARTMENT OF AGRICULTURE LOAN RESTRICTIONS. The Secretary of Agriculture shall revise section 3555.102(c) of title 7, Code of Federal Regulations to exclude a business that is licensed, regulated, or registered as a child care provider under State law.

No amendments or only technical amendments proposed to the following sections:

[§ 9858a. Block grant program.](#)

[§ 9858d. Limitations on state allotments](#)

[§ 9858f. Criminal background checks](#)

[§ 9858h. Payments](#)

[§ 9858j. Reports, hotline, and Web site](#)

[§ 9858k. Limitations on use of financial assistance for certain purposes](#)

[§ 9858l. Nondiscrimination](#)

[§ 9858m. Amounts reserved; allotments](#)

[§ 9858o. Parental rights and responsibilities](#)

[§ 9858p. Severability](#)

[§ 9858q. Miscellaneous provisions](#)

[§ 9858r. Studies on waiting lists](#)

For More Information

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About First Five Years Fund

The first five years last forever. At First Five Years Fund, we work to protect, prioritize, and build bipartisan support for quality child care and early learning programs at the federal level. Reliable, affordable, and high-quality early learning and child care can be transformative, not only enhancing a child's prospects for a brighter future but also bolstering working parents and fostering economic stability nationwide. Join us at www.ffyf.org.