

119TH CONGRESS
1ST SESSION

S. _____

To increase the quality and supply of child care and lower child care costs
for families.

IN THE SENATE OF THE UNITED STATES

Mrs. MURRAY introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To increase the quality and supply of child care and lower
child care costs for families.

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 for Work-
5 ing Families Act”.

**TITLE I—CHILD CARE AND
EARLY LEARNING PROGRAM**

**SEC. 101. BIRTH THROUGH FIVE CHILD CARE AND EARLY
LEARNING PROGRAM.**

(a) CHILD CARE DEFINITIONS.—The definitions in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this section, except as provided in subsection (b) and as otherwise specified.

(b) ADDITIONAL DEFINITIONS.—In this section:

(1) APPRENTICESHIP.—The term “apprenticeship” means an apprenticeship registered under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

(2) CHILD CARE CERTIFICATE.—

(A) IN GENERAL.—The term “child care certificate” means a certificate (that may be a check or other disbursement) that is issued by a State, Tribal, territorial, or local government under this section directly to a parent who shall 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.

1 (B) RULE.—Nothing in this section shall
2 preclude the use of such certificates for sec-
3 tarian child care services if freely chosen by the
4 parent. For the purposes of this section, child
5 care certificates shall be considered indirect
6 Federal financial assistance to the provider.

7 (3) CHILD EXPERIENCING HOMELESSNESS.—
8 The term “child experiencing homelessness” means
9 an individual who is a homeless child or youth under
10 section 725 of the McKinney-Vento Homeless Assist-
11 ance Act (42 U.S.C. 11434a).

12 (4) ELIGIBLE ACTIVITY.—The term “eligible
13 activity”, with respect to a parent, shall include, at
14 minimum, activities consisting of—

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

16 (B) self-employment;

17 (C) job search activities;

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

1 (E) health treatment (including mental
2 health and substance use treatment) for a con-
3 dition that prevents the parent from partici-
4 pating in other eligible activities;

5 (F) activities to prevent child abuse and
6 neglect, or family violence prevention or inter-
7 vention activities;

8 (G) employment and training activities, in-
9 cluding job training, under the Workforce Inno-
10 vation and Opportunity Act (29 U.S.C. 3101 et
11 seq.); and

12 (H) taking leave under the Family and
13 Medical Leave Act of 1993 (29 U.S.C. 2601 et
14 seq.) (or equivalent provisions for Federal em-
15 ployees), a State or local paid or unpaid leave
16 law, or a program of employer-provided leave.

17 (5) ELIGIBLE CHILD.—

18 (A) IN GENERAL.—The term “eligible
19 child” means an individual—

20 (i) who is less than 6 years of age;

21 (ii) who is not yet in kindergarten;

22 and

23 (iii) who—

1 (I) resides with a parent or par-
2 ents who are participating in an eligi-
3 ble activity;

4 (II) is included in a population of
5 vulnerable children identified by the
6 lead agency involved, which at a min-
7 imum shall include children with dis-
8 abilities, infants and toddlers with dis-
9 abilities, children experiencing home-
10 lessness, children in foster care, chil-
11 dren in kinship care, children in a
12 family that is eligible for assistance
13 through the special supplemental nu-
14 trition program for women, infants,
15 and children established by section 17
16 of the Child Nutrition Act of 1966
17 (42 U.S.C. 1786), a household that is
18 eligible to receive assistance through
19 the supplemental nutrition assistance
20 program established under the Food
21 and Nutrition Act of 2008 (7 U.S.C.
22 2011 et seq.), or a family that is eligi-
23 ble to receive assistance through the
24 program of block grants to States for
25 temporary assistance for needy fami-

1 lies established under part A of title
2 IV of the Social Security Act (42
3 U.S.C. 601 et seq.), and children who
4 are receiving, or need to receive, child
5 protective services; or

6 (III) resides with—

7 (aa) a parent who is more
8 than 65 years of age;

9 (bb) a parent who is em-
10 ployed by an eligible child care
11 provider; or

12 (cc) a parent who is enrolled
13 in high school and has not ex-
14 ceeded the maximum age of en-
15 rollment in high school.

16 (B) LONGER-TERM PERIOD ELIGIBILITY.—

17 An individual who is determined to be an eligi-
18 ble child shall not be required to reverify eligi-
19 bility for purposes of this title during the period
20 after the determination and before the indi-
21 vidual becomes 6 years of age or enters kinder-
22 garten, whichever occurs earlier.

23 (6) ELIGIBLE CHILD CARE PROVIDER.—

24 (A) IN GENERAL.—The term “eligible child
25 care provider” means a center-based child care

1 provider, a family child care provider, or other
2 provider of child care services for compensation
3 that—

4 (i) is licensed to provide child care
5 services under State law applicable to the
6 child care services it provides or, in the
7 case of an Indian Tribe or Tribal organiza-
8 tion, meets the rules set by the Secretary;

9 (ii) participates in the State's tiered
10 system for recognizing and supporting the
11 quality of child care services described in
12 subsection (f)(3)(B), or, in the case of an
13 Indian Tribe or Tribal organization, meets
14 the rules set by the Secretary—

15 (I) not later than 4 years after
16 the State first receives funds under
17 this section; and

18 (II) for the remainder of the pe-
19 riod for which the provider receives
20 funds under this section; and

21 (iii) satisfies the State and local re-
22 quirements, including those requirements
23 described in section 658E(c)(2)(I) of the
24 Child Care and Development Block Grant
25 Act of 1990 (42 U.S.C. 9858c(c)(2)(I)),

1 applicable to the child care services it pro-
2 vides.

3 (B) SPECIAL RULE.—A child care provider
4 who is eligible to provide child care services in
5 a State for children receiving assistance under
6 the Child Care and Development Block Grant
7 Act of 1990 (42 U.S.C. 9857 et seq.) on the
8 date the State submits an application for funds
9 under this section, and remains in compliance
10 with any licensing or registration standards, or
11 regulations, of the State, shall be deemed to be
12 an eligible child care provider under this section
13 for 3.5 years after the State first receives fund-
14 ing under this section.

15 (7) FMAP.—The term “FMAP” has the mean-
16 ing given the term “Federal medical assistance per-
17 centage” in the first sentence of section 1905(b) of
18 the Social Security Act (42 U.S.C. 1396d(b)).

19 (8) FAMILY CHILD CARE PROVIDER.—The term
20 “family child care provider” means one or more indi-
21 viduals who provide child care services, in a private
22 residence other than the residences of the children
23 involved, for less than 24 hours per day per child,
24 or for 24 hours per day per child due to the nature
25 of the work of the parent involved.

1 (9) INCLUSIVE CARE.—The term “inclusive”,
2 with respect to care (including child care), means
3 care provided by an eligible child care provider—

4 (A) for whom the percentage of children
5 served by the provider who are children with
6 disabilities or infants or toddlers with disabili-
7 ties reflects the prevalence of children with dis-
8 abilities and infants and toddlers with disabili-
9 ties (whichever the provider serves) among chil-
10 dren within the State involved; and

11 (B) that provides care and full participa-
12 tion for children with disabilities and infants
13 and toddlers with disabilities (whichever the
14 provider serves) alongside children who are—

15 (i) not children with disabilities; and

16 (ii) not infants and toddlers with dis-
17 abilities.

18 (10) INFANT OR TODDLER.—The term “infant
19 or toddler” means an individual who is less than 3
20 years of age.

21 (11) INFANT OR TODDLER WITH A DIS-
22 ABILITY.—The term “infant or toddler with a dis-
23 ability” has the meaning given the term in section
24 632 of the Individuals with Disabilities Education
25 Act (20 U.S.C. 1432).

1 (12) LEAD AGENCY.—The term “lead agency”
2 means the agency designated under subsection (e).

3 (13) PROVIDER TYPE.—The term “provider
4 type” means a type that is—

5 (A) a center-based child care provider;

6 (B) a family child care provider; or

7 (C) another non-center-based child care
8 provider.

9 (14) RECOGNIZED POSTSECONDARY CREDEN-
10 TIAL.—The term “recognized postsecondary creden-
11 tial” has the meaning given the term in section 3 of
12 the Workforce Innovation and Opportunity Act (29
13 U.S.C. 3102).

14 (15) STAFFED FAMILY CHILD CARE NET-
15 WORK.—The term “staffed family child care net-
16 work” means a nonprofit organization or nonprofit
17 cooperative—

18 (A) that may be a component of a child
19 care resource and referral organization;

20 (B) that has at least one paid staff mem-
21 ber; and

22 (C) that offers evidence-based professional
23 development, quality improvement support,
24 business support, and technical assistance, in-

1 cluding on achieving licensure as a child care
2 provider, to family child care providers.

3 (16) STATE.—The term “State” means any of
4 the 50 States and the District of Columbia.

5 (17) TERRITORY.—The term “territory” means
6 the Commonwealth of Puerto Rico, the Virgin Is-
7 lands of the United States, Guam, American Samoa,
8 and the Commonwealth of the Northern Mariana Is-
9 lands.

10 (c) APPROPRIATIONS.—

11 (1) ENTITLEMENT.—In addition to amounts
12 otherwise available, there is appropriated to the De-
13 partment of Health and Human Services, out of any
14 money in the Treasury not otherwise appropriated,
15 such sums as may be necessary for each of fiscal
16 years 2026 through 2031, for payments to States,
17 territories, and Indian Tribes and Tribal organiza-
18 tions, and for carrying out this section (other than
19 carrying out activities described in paragraph (2) or
20 (3)).

21 (2) GRANTS TO LOCALITIES; AWARDS TO HEAD
22 START AGENCIES.—In addition to amounts otherwise
23 available, there is appropriated to the Department of
24 Health and Human Services for fiscal year 2026,
25 out of any money in the Treasury not otherwise ap-

1 appropriated, \$20,000,000,000, to remain available
2 until September 30, 2031, to carry out the programs
3 of grants to localities and awards to Head Start
4 agencies described in subsection (i).

5 (3) FEDERAL ADMINISTRATION.—In addition to
6 amounts otherwise available, there is appropriated to
7 the Department of Health and Human Services for
8 fiscal year 2026, out of any money in the Treasury
9 not otherwise appropriated, \$1,300,000,000, to re-
10 main available until September 30, 2031, to carry
11 out subsections (k) and (l).

12 (d) ESTABLISHMENT OF BIRTH THROUGH FIVE
13 CHILD CARE AND EARLY LEARNING ENTITLEMENT PRO-
14 GRAM.—

15 (1) IN GENERAL.—The Secretary is authorized
16 to administer a child care and early learning entitle-
17 ment program under which an eligible child, in a
18 State, territory, or Indian Tribe, or served by a
19 Tribal organization with an approved application
20 under subsection (f) or (g), shall be provided an op-
21 portunity to obtain high-quality child care services,
22 subject to the requirements of this section.

23 (2) ASSISTANCE FOR EVERY ELIGIBLE
24 CHILD.—Beginning on October 1, 2026, every child
25 who applies for assistance under this section, who is

1 in a State with an approved application under sub-
2 section (f), or in a territory or Indian Tribe or
3 served by a Tribal organization with an approved
4 application under subsection (g), and who is deter-
5 mined, by a lead agency (or other entity designated
6 by a lead agency) for the State, territory, Indian
7 Tribe, or Tribal organization involved, following
8 standards and procedures established by the Sec-
9 retary by rule, to be an eligible child, shall be offered
10 and shall be entitled to receive assistance for direct
11 child care services in accordance with and subject to
12 the requirements and limitations of this section.

13 (e) LEAD AGENCY.—The Governor of a State or the
14 head of a territory or Indian Tribe, desiring for the State,
15 territory, or Indian tribe or a related tribal organization
16 to receive a payment under this section, shall designate
17 a lead agency (such as a State agency or joint interagency
18 office) to administer the child care program carried out
19 under this section.

20 (f) APPLICATIONS AND STATE PLANS.—

21 (1) APPLICATION.—To be eligible to receive as-
22 sistance under this section, a State shall prepare
23 and submit to the Secretary for approval an applica-
24 tion containing a State plan that meets the require-

1 ments under paragraph (3) and contains that infor-
2 mation.

3 (2) PERIOD COVERED BY PLAN.—A State plan
4 contained in the application shall be designed to be
5 implemented during a period of not more than 3
6 years.

7 (3) REQUIREMENTS FOR STATE PLANS.—The
8 Secretary shall award funds under this section to
9 States with an approved application that contains a
10 State plan, submitted under paragraph (1), at such
11 time, in such manner, and containing such informa-
12 tion as the Secretary shall by rule require, including,
13 at a minimum, the following:

14 (A) PAYMENT RATES AND COST ESTI-
15 MATION.—

16 (i) PAYMENT RATES.—The State plan
17 shall certify that payment rates for the
18 provision of direct child care services for
19 which assistance is provided in accordance
20 with this section for the period covered by
21 the plan, within 3 years after the State
22 first receives funds under this section—

23 (I) will be sufficient to meet the
24 cost of child care (including fixed
25 costs such as rent or mortgage and

1 salaries), and set (with pay being
2 paid) in accordance with a cost esti-
3 mation model or cost study described
4 in clause (ii) that is approved by the
5 Secretary; and

6 (II) will correspond to differences
7 in quality (including improved quality)
8 based on the State's tiered system for
9 recognizing and supporting the quality
10 of child care services described in sub-
11 paragraph (B).

12 (ii) COST ESTIMATION.—Such State
13 plan shall—

14 (I) demonstrate that the State
15 has, after consulting with the entities
16 and administrators described in sub-
17 clause (II), developed and uses a sta-
18 tistically valid and reliable cost esti-
19 mation model or cost study for the
20 payment rates for direct child care
21 services in the State (that are suffi-
22 cient to cover providers' fixed costs
23 and take into account payments made
24 through BASE grants under title II),
25 for the cost of child care at each of

1 the tiers of the State's tiered system
2 for recognizing and supporting the
3 quality of child care services described
4 in subparagraph (B), and for vari-
5 ations in the cost of direct child care
6 services by geographic area, provider
7 type, and age of child, and the addi-
8 tional costs associated with providing
9 inclusive care;

10 (II) certify that the entities and
11 administrators consulted included the
12 State Advisory Council on Early
13 Childhood Education and Care des-
14 ignated or established in section
15 642B(b)(1)(A)(i) of the Head Start
16 Act (42 U.S.C. 9837b(b)(1)(A)(i))
17 (including State Head Start collabora-
18 tion office directors), administrators
19 of local child care programs and Head
20 Start agencies, organizations rep-
21 resenting child care directors, teach-
22 ers, and other staff, local child care
23 resource and referral organizations,
24 organizations representing parents of
25 children with disabilities and parents

1 of infants and toddlers with disabil-
2 ities, the State interagency coordi-
3 nating council established under sec-
4 tion 641 of the Individuals with Dis-
5 abilities Education Act (20 U.S.C.
6 1441), the State advisory panel estab-
7 lished under section 612(a)(21) of the
8 Individuals with Disabilities Edu-
9 cation Act (20 U.S.C. 1412(a)(21)),
10 organizations and labor organizations
11 representing child care providers, and
12 other appropriate entities;

13 (III) certify that the State—

14 (aa) not later than 30 days
15 after finalizing the cost esti-
16 mation model or cost study, pub-
17 lished a detailed report con-
18 taining the child care costs esti-
19 mated with the cost estimation
20 model or cost study, and includ-
21 ing an explanation detailing how
22 the wage requirements described
23 in subclause (IV)(cc) were ap-
24 plied in the estimation of such
25 costs; and

1 (bb) not later than 60 days
2 after publishing the report, estab-
3 lished a system to receive public
4 comment on the report about
5 making changes to the cost esti-
6 mation model or cost study, pro-
7 vided an opportunity for the pub-
8 lic to comment on the report
9 through that system, and sub-
10 mitted the report to the Sec-
11 retary; and

12 (IV) certify that the State's pay-
13 ment rates for direct child care serv-
14 ices for which assistance is provided
15 in accordance with this section—

16 (aa) are set (with pay being
17 paid) in accordance with the
18 most recent estimates from the
19 most recent cost estimation
20 model or cost study under sub-
21 clause (I), so that providers at
22 each tier of the tiered system for
23 recognizing and supporting the
24 quality of child care services de-
25 scribed in subparagraph (B) re-

1 ceive a payment that is sufficient
2 to fully meet the requirements of
3 such tier;

4 (bb) are set so as to provide
5 payments to providers not at the
6 top tier of the tiered system that
7 are sufficient to enable the pro-
8 viders to increase quality to meet
9 the requirements for the next
10 tier;

11 (cc) ensure adequate wages
12 for staff of child care providers
13 providing such direct child care
14 services that—

15 (AA) at a minimum,
16 provide a living wage for all
17 staff of such child care pro-
18 viders; and

19 (BB) are equivalent to
20 wages for elementary edu-
21 cators with similar creden-
22 tials and experience in the
23 State; and

24 (dd) are adjusted on an an-
25 nual basis for cost-of-living in-

1 creases to ensure those payment
2 rates remain sufficient to meet
3 the requirements of this section;

4 (V) certify that the State will up-
5 date, not less often than once every 3
6 years, the cost estimation model or
7 cost study, following the process and
8 in accordance with the requirements
9 of this subparagraph; and

10 (VI) certify that the State has es-
11 tablished a system for appeals of the
12 child care costs estimated with the
13 cost estimation model or cost study.

14 (iii) PAYMENT PRACTICES.—Such
15 State plan shall include an assurance that
16 the State will implement payment practices
17 that support the fixed costs of providing
18 direct child care services.

19 (B) TIERED SYSTEM FOR RECOGNIZING
20 AND SUPPORTING THE QUALITY OF CHILD CARE
21 SERVICES.—Such State plan shall certify that
22 the State has implemented, or assure that the
23 State will develop or revise within 3 years after
24 first receiving funds under this section, with
25 input (from early childhood education and de-

1 development experts, from a diverse group of child
2 care providers of a variety of provider types,
3 from families, and from organizations rep-
4 resenting child care directors, teachers, and
5 other staff), a tiered system for recognizing and
6 supporting the quality of child care services for
7 which assistance is made available under this
8 section, and that are inclusive and appropriate
9 for such child care providers. Such tiered sys-
10 tem shall—

11 (i) include a set of standards, for de-
12 termining the tier of quality of a child care
13 provider, that—

14 (I) uses standards for a highest
15 tier that at a minimum are equivalent
16 to Head Start program performance
17 standards described in section
18 641A(a)(1)(B) of the Head Start Act
19 (42 U.S.C. 9836a(a)(1)(B)) or other
20 equivalent evidence-based standards
21 approved by the Secretary;

22 (II) includes quality indicators
23 and thresholds that are appropriate
24 for child development for different
25 types of provider types, including cen-

1 ter-based child care providers and
2 family child care providers, and are
3 appropriate for providers serving dif-
4 ferent age groups (including mixed
5 age groups) of children; and

6 (III) aligns standards for the
7 lowest tier with State licensing re-
8 quirements for child care providers
9 described in subparagraph (K);

10 (ii) include a different set of stand-
11 ards that includes indicators, when appro-
12 priate, for care during nontraditional hours
13 of operation; and

14 (iii) provide for sufficient resources
15 and supports for child care providers at
16 tiers lower than the highest tier to facili-
17 tate progression toward meeting higher
18 quality standards.

19 (C) ACHIEVING HIGH QUALITY FOR ALL
20 CHILDREN.—Such State plan shall certify the
21 State has implemented, or will implement with-
22 in 3 years after first receiving funds under this
23 section, policies and financing practices that
24 will ensure all eligible children can choose to at-
25 tend child care, with services provided by any of

1 a variety of provider types including family
2 child care providers, at the highest quality tier
3 within 10 years after the date of enactment of
4 this Act.

5 (D) NUMBER AND PERCENTAGE OF PRO-
6 VIDERS AT EACH TIER AND OTHER CHARACTER-
7 ISTICS.—Such plan shall provide information on
8 the number and percentage of eligible child care
9 providers, disaggregated (unless the
10 disaggregation involved would reveal personally
11 identifiable information about an individual pro-
12 vider or child) by—

13 (i) the tier of a provider's services on
14 the State's tiered system for recognizing
15 and supporting the quality of child care
16 services described in subparagraph (B);

17 (ii) the primary language of the pro-
18 vider;

19 (iii) the race and ethnicity of the chil-
20 dren served;

21 (iv) the age of the children;

22 (v) the disability status of the chil-
23 dren; and

24 (vi) the primary language of the chil-
25 dren.

1 (E) COMPENSATION.—Such plan shall pro-
2 vide a certification that the State has or will
3 have within 3 years after first receiving funds
4 under this section, a wage ladder for staff of el-
5 igible child care providers receiving assistance
6 under this section, including a certification that
7 wages for such staff, at a minimum, will meet
8 the requirements of subparagraph
9 (A)(ii)(IV)(cc).

10 (F) SLIDING FEE SCALE FOR COPAY-
11 MENTS.—

12 (i) IN GENERAL.—Except as provided
13 in clause (ii)(I), the State plan shall pro-
14 vide an assurance that the State will for
15 the period covered by the plan use a slid-
16 ing fee scale, which shall gradually in-
17 crease copayments as a percentage of fam-
18 ily income for families with greater family
19 incomes as described in clause (ii), to de-
20 termine a copayment for a family receiving
21 assistance under this section (or, for a
22 family receiving part-time care, a reduced
23 copayment that is the proportionate
24 amount of the full copayment).

(ii) **SLIDING FEE SCALE.**—A full copayment described in clause (i) shall be determined using a sliding fee scale that provides that, for a family with a family income—

(I) of not more than 85 percent of State median income for a family of the same size, the family shall not pay a copayment, toward the cost of the child care involved for all eligible children in the family;

(II) of more than 85 percent but not more than 100 percent of State median income for a family of the same size, the copayment shall be more than 0 but not more than 2 percent of that family income, toward such cost for all such children;

(III) of more than 100 percent but not more than 125 percent of State median income for a family of the same size, the copayment shall be more than 2 but not more than 4 percent of that family income, toward such cost for all such children;

1 (IV) of more than 125 percent
2 but not more than 150 percent of
3 State median income for a family of
4 the same size, the copayment shall be
5 more than 4 but not more than 7 per-
6 cent of that family income, toward
7 such cost for all such children; and

8 (V) of more than 150 percent of
9 the State median income for a family
10 of the same size, the copayment shall
11 be 7 percent of that family income, to-
12 ward such cost for all such children.

13 (G) PROHIBITION ON CHARGING MORE
14 THAN COPAYMENT.—The State plan shall cer-
15 tify that, after the State develops and uses the
16 cost estimation model or cost study described in
17 subparagraph (A)(ii), the State will not permit
18 a child care provider receiving financial assist-
19 ance under this section to charge, for direct
20 child care services for an eligible child, more
21 than the total of—

22 (i) the financial assistance provided
23 for the child under this section; and

24 (ii) any applicable copayment pursu-
25 ant to subparagraph (F).

1 (H) REDUCTION OF BARRIERS.—The State
2 plan shall assure that each child who receives
3 assistance under this section will be considered
4 to meet all eligibility requirements for such as-
5 sistance, and will receive such assistance, for
6 not less than 12 months unless the child has
7 aged out of the program, and the child’s eligi-
8 bility determination and redetermination, in-
9 cluding any determination based on the State’s
10 definition of eligible activities, shall be imple-
11 mented in a manner that supports child well-
12 being and reduces barriers to enrollment, in-
13 cluding continuity of services.

14 (I) POLICIES TO SUPPORT ACCESS TO
15 CHILD CARE FOR UNDERSERVED POPU-
16 LATIONS.—The State plan shall demonstrate
17 that the State will prioritize increasing access
18 to, and the quality and the supply of, child care
19 in the State for underserved populations, in-
20 cluding at a minimum, children from low-in-
21 come families, children in underserved areas, in-
22 fants and toddlers, children with disabilities and
23 infants and toddlers with disabilities, children
24 who are dual language learners, children experi-
25 encing homelessness, children in foster or kin-

1 ship care, children who receive care during non-
2 traditional hours, and vulnerable children as de-
3 fined by the lead agency pursuant to subsection
4 (b)(5)(A)(iii)(II).

5 (J) POLICIES.—The State plan shall in-
6 clude a certification that the State will apply,
7 under this section, the policies and procedures
8 described in subparagraphs (A), (B), (I), (J),
9 (K)(i), (R), and (U) of section 658E(c)(2) of
10 the Child Care and Development Block Grant
11 Act of 1990 (42 U.S.C. 9858e(c)(2)), and the
12 policies and procedures described in section
13 658H of such Act (42 U.S.C. 9858f), to child
14 care services provided under this section.

15 (K) LICENSING.—

16 (i) CONSULTATION.—The State plan
17 shall demonstrate that the State has con-
18 sulted or will consult with organizations
19 (including labor organizations and child
20 care and early learning organizations) rep-
21 resenting eligible child care providers (in-
22 cluding family child care providers), child
23 care associations, child care directors,
24 teachers, or other staff (including direc-
25 tors, teachers, or staff from child care pro-

1 viders serving higher proportions of under-
2 served populations as identified under sub-
3 paragraph (I)), early childhood education
4 and development experts, maternal and
5 child health experts, and families in the de-
6 velopment of licensing standards described
7 in this subparagraph, including identifying
8 barriers to such licensing for child care
9 providers who are exempt from such licens-
10 ing under the Child Care and Development
11 Block Grant of 1990 (42 U.S.C. 9857 et
12 seq.).

13 (ii) LICENSING STANDARDS.—

14 (I) IN GENERAL.—The State
15 plan shall certify that the State will
16 develop or revise, within 2.5 years
17 after first receiving funds under this
18 section, licensing standards appro-
19 priate for child care providers of a va-
20 riety of provider types and provider
21 sizes (which may, when appropriate,
22 include a different set of licensing
23 standards with respect to care during
24 nontraditional hours of operation) and
25 a pathway to licensure described in

1 this clause that is available to and ap-
2 propriate for such child care pro-
3 viders, that will offer providers eligible
4 under the Child Care and Develop-
5 ment Block Grant Act of 1990 (42
6 U.S.C. 9857 et seq.) a reasonable
7 pathway to become eligible providers
8 under this section, and that will as-
9 sure an adequate supply of child care.

10 (II) DETERMINATION.—For pur-
11 poses of subclause (I), provider size
12 shall be determined by measuring the
13 number of children served by the pro-
14 vider.

15 (iii) TIMELINE.—Such plan shall de-
16 scribe the timeline the State will use to en-
17 sure sufficient time for providers described
18 in subsection (b)(6)(B) to comply with
19 such licensing standards in order to remain
20 eligible providers after 3.5 years after the
21 State first receives funding under this sec-
22 tion.

23 (iv) FINANCIAL SUPPORT FOR PRO-
24 VIDERS.—Such plan shall describe how the
25 State will use funds reserved under sub-

1 section (h)(3)(A) to enable a variety of
2 provider types to achieve licensure, includ-
3 ing paying for the costs of required back-
4 ground checks, health screening, and initial
5 and ongoing training, and other costs asso-
6 ciated with achieving licensure.

7 (L) PROHIBITION ON SUSPENSIONS, EX-
8 PULSIONS, AND AVERSIVE BEHAVIORAL INTER-
9 VENTIONS.—The State plan shall provide an as-
10 surance that the State will—

11 (i) provide assistance to carry out this
12 section only to eligible child care providers
13 that prohibit—

14 (I) the use of suspension and ex-
15 pulsion of children; and

16 (II) the use of aversive behavioral
17 interventions; and

18 (ii) provide training resources to eligi-
19 ble child care providers and information to
20 families to support the prohibition of prac-
21 tices described in subclauses (I) and (II) of
22 clause (i).

23 (M) MULTITIERED SYSTEMS OF SUP-
24 PORT.—The State plan shall provide an assur-
25 ance that the State will provide assistance to el-

1 igible child care providers to implement multi-
2 tiered systems of support such as systems with
3 positive behavioral interventions and supports,
4 infant and early childhood mental health con-
5 sultation and trauma-informed care that pro-
6 mote positive social and emotional development
7 and reduce challenging behaviors.

8 (N) ENROLLMENT PRACTICES.—

9 (i) IN GENERAL.—The State plan
10 shall describe how the lead agency will en-
11 sure that families have access to a low-bar-
12 rier enrollment (including re-enrollment)
13 process that is accessible to and minimizes
14 burdens for families with diverse character-
15 istics, by implementing activities such as
16 allowing for simplified enrollment for sib-
17 lings, coordinating with other State agen-
18 cies to streamline enrollment processes
19 across public assistance programs, requir-
20 ing minimal paperwork, allowing for enroll-
21 ment through a State or local website, and
22 providing flexible submission deadlines.

23 (ii) DEFINITION.—In this subpara-
24 graph, the term “family with diverse char-
25 acteristics” includes families with adults

1 with disabilities, with children with disabil-
2 ities, or with infants and toddlers with dis-
3 abilities, families experiencing homeless-
4 ness, families with limited access to inter-
5 net connectivity, families living in rural
6 areas, families of dual language learners,
7 and families with children in underserved
8 populations identified under subparagraph
9 (I).

10 (O) IMPLEMENTATION FOR LOW-INCOME
11 FAMILIES.—The State plan shall include a cer-
12 tification that the applicant, not later than Oc-
13 tober 1, 2026, will provide assistance described
14 in subsection (d)(2) to every child in the State
15 who is described in that subsection, and is from
16 a family with a family income of not more than
17 85 percent of the State median income for a
18 family of the same size, before the applicant ex-
19 pands the program involved to provide such as-
20 sistance to children from additional families.

21 (g) PAYMENTS.—

22 (1) IN GENERAL.—For each of fiscal years
23 2026 through 2031:

24 (A) CHILD CARE ASSISTANCE FOR ELIGI-
25 BLE CHILDREN.—

1 (i) IN GENERAL.—The Secretary shall
2 pay to each State with an approved appli-
3 cation under subsection (f), and that State
4 shall be entitled to, an amount for each
5 quarter equal to 90 percent of expendi-
6 tures (which shall be the Federal share of
7 such expenditures) in the quarter for direct
8 child care services described under sub-
9 section (h)(2) for eligible children.

10 (ii) EXCEPTION.—Funds reserved
11 from the total under subsection (h)(3)
12 shall be subject to subparagraph (B).

13 (iii) PROHIBITION.—Activities de-
14 scribed in subparagraph (B) or (C) may
15 not be included in the cost of direct child
16 care services described in this subpara-
17 graph.

18 (B) ACTIVITIES TO IMPROVE THE QUALITY
19 AND SUPPLY OF CHILD CARE SERVICES.—The
20 Secretary shall pay to each State with such an
21 approved application, and that State shall be
22 entitled to, the FMAP of expenditures (which
23 shall be the Federal share of such expenditures)
24 to carry out activities to improve the quality
25 and supply of child care services under sub-

1 section (h)(3) subject to the limit specified in
2 subparagraph (A) of such subsection.

3 (C) ADMINISTRATION.—The Secretary
4 shall pay to each State with such an approved
5 application, and that State shall be entitled to,
6 an amount equal to 50 percent of expenditures
7 (which shall be the Federal share of such ex-
8 penditures) for the costs of administration in-
9 curred by the State—

10 (i) which shall include costs incurred
11 by the State in carrying out the child care
12 program established in this section; and

13 (ii) which may include, at the option
14 of the State, costs associated with carrying
15 out requirements, policies, and procedures
16 described in section 658H of the Child
17 Care and Development Block Grant Act of
18 1990 (42 U.S.C. 9858f).

19 (2) ADVANCE PAYMENT; RETROSPECTIVE AD-
20 JUSTMENT.—For each of fiscal years 2026 through
21 2031, the Secretary shall make payments under this
22 subsection for a period on the basis of advance esti-
23 mates of expenditures submitted by the State and
24 such other investigation as the Secretary may find
25 necessary, and shall reduce or increase the payments

1 as necessary to adjust for any overpayment or un-
2 derpayment for previous periods. No interest shall
3 be charged or paid on any amount due because of
4 an overpayment or underpayment for previous peri-
5 ods.

6 (3) TERRITORIES AND TRIBES.—

7 (A) IN GENERAL.—For each of fiscal years
8 2026 through 2031, from amounts appropriated
9 under subsection (c)(1) the Secretary shall
10 make payments to territories, and Indian
11 Tribes and Tribal organizations, as the case
12 may be, with applications submitted as de-
13 scribed in subparagraph (B), and approved by
14 the Secretary for the purpose of carrying out
15 the child care program described in this section,
16 consistent, to the extent practicable as deter-
17 mined by the Secretary (subject to subsection
18 (d)(2)), with the requirements applicable to
19 States.

20 (B) APPLICATIONS.—

21 (i) TRIBAL APPLICATIONS.—An In-
22 dian Tribe or Tribal organization seeking a
23 payment under this paragraph shall submit
24 an application to the Secretary at such
25 time, in such manner, and containing such

1 information as the Secretary may specify,
2 including—

3 (I) a certification described in
4 subsection (f)(3)(O), except that each
5 reference in the subsection to “child
6 in the State” shall be considered to be
7 a reference to “child served by the In-
8 dian Tribe or Tribal organization, as
9 the case may be,”; and

10 (II) an agreement to collect data
11 and provide reports under subsection
12 (n).

13 (ii) TERRITORIAL APPLICATIONS.—A
14 territory seeking a payment under this
15 paragraph shall submit an application to
16 the Secretary at such time, in such man-
17 ner, and containing such information as
18 the Secretary may specify, including—

19 (I) a certification described in
20 subsection (f)(3)(O), except that each
21 reference in the subsection to “child
22 in the State” shall be considered to be
23 a reference to “child in the territory”;
24 and

1 (II) an agreement to collect data
2 and provide reports under subsection
3 (n).

4 (C) AMOUNT.—The Secretary shall make
5 the payments to the territories, Indian Tribes,
6 and Tribal organizations described in subpara-
7 graph (A) on the basis of their relative need.
8 Each entity that is such a territory, Indian
9 Tribe, or Tribal organization shall be entitled to
10 such a payment as may be necessary to carry
11 out the activities described in subsection (h),
12 and to pay for the costs of administration in-
13 curred by the entity, which shall include costs
14 incurred by the entity in carrying out the child
15 care program, and which may include, at the
16 option of the entity, costs associated with car-
17 rying out requirements, policies, and procedures
18 described in section 658H of the Child Care
19 and Development Block Grant Act of 1990.

20 (h) USE OF FUNDS.—

21 (1) IN GENERAL.—Starting on October 1,
22 2026, a State shall use amounts provided to the
23 State under subsection (g) for direct child care serv-
24 ices (provided on a sliding fee scale basis), activities
25 to improve the quality and supply of child care serv-

1 ices consistent with paragraph (3), and State admin-
2 istration consistent with subsection (g)(1)(C).

3 (2) CHILD CARE ASSISTANCE FOR ELIGIBLE
4 CHILDREN.—

5 (A) IN GENERAL.—For each of fiscal years
6 2026 through 2031, from payments made to
7 the State under subsection (g) for that par-
8 ticular fiscal year, the State shall ensure that
9 parents of eligible children can access direct
10 child care services provided by an eligible child
11 care provider under this section through a
12 grant or contract as described in subparagraph
13 (B) or a certificate as described in subpara-
14 graph (C).

15 (B) GRANTS AND CONTRACTS.—The State
16 shall award grants or contracts to eligible child
17 care providers, consistent with the requirements
18 under this section, for the provision of child
19 care services for eligible children under this sec-
20 tion that, at a minimum, support providers' op-
21 erating expenses to meet and sustain health,
22 safety, quality, wage, and licensing standards
23 required under this section.

24 (C) CERTIFICATES.—The State shall issue
25 a child care certificate directly to a parent who

1 shall use such certificate only as payment for
2 direct child care services or as a deposit for di-
3 rect child care services if such a deposit is re-
4 quired of other children being cared for by the
5 provider, consistent with the requirements
6 under this section.

7 (3) ACTIVITIES TO IMPROVE THE QUALITY AND
8 SUPPLY OF CHILD CARE SERVICES.—

9 (A) QUALITY CHILD CARE ACTIVITIES.—

10 (i) AMOUNT.—For each of fiscal years
11 2026 through 2031, from the total of the
12 payments made to the State for a par-
13 ticular fiscal year, the State shall reserve
14 and use a quality child care amount equal
15 to not less than 5 percent and not more
16 than 10 percent of the amount made avail-
17 able to the State through such payments
18 for the previous fiscal year.

19 (ii) USE OF QUALITY CHILD CARE
20 AMOUNT.—Each State shall use the quality
21 child care amount described in clause (i) to
22 implement activities described in this para-
23 graph to improve the quality and supply of
24 child care services by eligible child care
25 providers, and increase the number of

1 available slots in the State for child care
2 services funded under this section,
3 prioritizing assistance for child care pro-
4 viders who are in underserved communities
5 and who are providing, or are seeking to
6 provide, child care services for underserved
7 populations identified under subsection
8 (f)(3)(I).

9 (iii) ADMINISTRATION.—Activities
10 funded under this paragraph may be ad-
11 ministered—

12 (I) directly by the lead agency; or

13 (II) through other State govern-
14 ment agencies, local or regional child
15 care resource and referral organiza-
16 tions, community development finan-
17 cial institutions, other intermediaries
18 with experience supporting child care
19 providers, or other appropriate enti-
20 ties that enter into a contract with the
21 State to provide such assistance.

22 (B) QUALITY AND SUPPLY ACTIVITIES.—
23 Activities funded under the quality child care
24 amount described in subparagraph (A) shall in-
25 clude each of the following:

1 (i) STARTUP GRANTS AND SUPPLY EX-
2 PANSION GRANTS.—

3 (I) IN GENERAL.—From a por-
4 tion of the quality child care amount,
5 a State shall make startup and supply
6 expansion grants to support child care
7 providers who are providing, or seek-
8 ing to provide, child care services to
9 children receiving assistance under
10 this section, with priority for pro-
11 viders providing or seeking to provide
12 child care in underserved communities
13 and for underserved populations iden-
14 tified under subsection (f)(3)(I), to—

15 (aa) support startup and ex-
16 pansion costs; and

17 (bb) assist such providers in
18 meeting health and safety re-
19 quirements, achieving licensure,
20 conducting background checks,
21 and meeting requirements in the
22 State's tiered system for recog-
23 nizing and supporting the quality
24 of child care services described in
25 subsection (f)(3)(B).

1 (II) REQUIREMENT.—As a condi-
2 tion of receiving a startup or supply
3 expansion grant under this clause, a
4 child care provider shall commit to
5 meeting the requirements of an eligi-
6 ble provider under this section, and
7 providing child care services to chil-
8 dren receiving assistance under this
9 section on an ongoing basis.

10 (ii) QUALITY GRANTS.—From a por-
11 tion of the quality child care amount, a
12 State shall provide quality grants to sup-
13 port eligible child care providers in pro-
14 viding child care services to children receiv-
15 ing assistance under this section to im-
16 prove the quality of such providers, includ-
17 ing—

18 (I) supporting such providers in
19 meeting or making progress toward
20 the requirements for the highest tier
21 of the State’s tiered system for recog-
22 nizing and supporting the quality of
23 child care services described in sub-
24 section (f)(3)(B); and

1 (II) supporting such providers in
2 sustaining child care quality, including
3 supporting increased wages for staff
4 and supporting payment of fixed
5 costs.

6 (iii) FACILITIES GRANTS.—From a
7 portion of the quality child care amount, a
8 State shall provide support, including
9 through awarding facilities grants, for an
10 activity (referred to in this subparagraph
11 as a “covered activity”) consisting of re-
12 modeling, renovation, or repair of a build-
13 ing or facility, or for construction, perma-
14 nent improvement, or major renovation of
15 a building or facility primarily used for
16 providing direct child care services, in ac-
17 cordance with the following:

18 (I) RECIPIENTS.—The facilities
19 grants shall be awarded to eligible
20 child care providers with submitted or
21 approved applications under sub-
22 section (f) or (g) or to intermediaries
23 with experience supporting child care
24 providers in order to enable the inter-

1 mediaries to assist such eligible child
2 care providers with covered activities.

3 (II) ELIGIBILITY.—To be eligible
4 to receive funds through a facilities
5 grant under this clause, a child care
6 provider shall enter into an agreement
7 with the State in which the provider
8 commits to use the funds only after
9 obtaining approval of an application
10 under subsection (f) or (g) and com-
11 mits to provide child care services to
12 children receiving assistance under
13 this section on an ongoing basis.

14 (III) FEDERAL INTEREST APPLI-
15 CATION.—Provisions of Federal law
16 relating to a Federal interest in a
17 building or facility shall not apply to
18 a covered activity for privately owned
19 family child care homes under this
20 clause.

21 (IV) FEDERAL INTEREST DURA-
22 TION.—The Secretary shall not retain
23 a Federal interest after a period of 10
24 years in any building, or facility, at
25 which a covered activity was carried

1 out with funds awarded under this
2 clause.

3 (V) RELIGIOUS BUILDINGS AND
4 FACILITIES.—Eligible child care pro-
5 viders may not use funds for buildings
6 or facilities that are used primarily
7 for sectarian instruction or religious
8 worship.

9 (VI) FAMILY CHILD CARE
10 HOMES.—The Secretary shall develop
11 parameters on the use of funds under
12 this clause for family child care
13 homes.

14 (iv) STATE ACTIVITIES TO IMPROVE
15 THE QUALITY OF CHILD CARE SERVICES.—
16 A State shall use a portion of the quality
17 child care amount to improve the quality of
18 child care services available under this sec-
19 tion, which shall include—

20 (I) supporting the training of the
21 early childhood workforce, which shall
22 include supporting—

23 (aa) degree attainment;

1 (bb) high-quality training
2 programs that lead to a recog-
3 nized postsecondary credential; or

4 (cc) the development and
5 implementation of apprenticeship
6 programs;

7 (II) supporting the professional
8 development of the early childhood
9 workforce through continued edu-
10 cation and credentialing;

11 (III) developing, implementing,
12 or revising the State's tiered system
13 for recognizing and supporting the
14 quality of child care services described
15 in subsection (f)(3)(B);

16 (IV) improving the supply and
17 quality of developmentally appropriate
18 and inclusive child care programs and
19 services for underserved populations
20 identified under subsection (f)(3)(I);

21 (V) improving access to child
22 care services for vulnerable children
23 as defined by the lead agency pursu-
24 ant to subsection (b)(5)(A)(iii)(II);

1 (VI) providing outreach and en-
2 rollment support for families of eligi-
3 ble children;

4 (VII) supporting eligible child
5 care providers to eliminate use of sus-
6 pensions, expulsions, and aversive be-
7 havioral interventions, including
8 through adaptations and interventions
9 by special educators, mental health
10 consultants, and other community re-
11 source personnel, such as behavior
12 coaches, psychologists, and other ap-
13 propriate specialists, and through the
14 provision of mental health services for
15 the providers;

16 (VIII) promoting multitiered sys-
17 tems of support such as systems with
18 positive behavioral interventions and
19 supports and trauma-informed care
20 that promote positive social and emo-
21 tional development and reduce chal-
22 lenging behaviors;

23 (IX) offering training, coaching,
24 or professional development opportu-
25 nities for eligible child care providers

1 that relate to the use of evidence-
2 based, developmentally appropriate
3 and age-appropriate strategies to pro-
4 mote the social, emotional, physical,
5 adaptive, communication, and cog-
6 nitive development of children;

7 (X) improving coordination be-
8 tween States and local governments
9 with respect to licensing and other
10 regulatory requirements for eligible
11 child care providers;

12 (XI) increasing interrater reli-
13 ability concerning licensing inspections
14 or other evaluations of eligible child
15 care providers by training licensing in-
16 spectors of the providers and pro-
17 viding such inspectors with additional
18 professional development;

19 (XII) identifying and eliminating
20 barriers to licensing of eligible child
21 care providers, such as through reduc-
22 ing fees for background checks, trans-
23 lating licensing regulations into lan-
24 guages other than English, and col-

1 laborating with housing agencies or
2 local governments; and

3 (XIII) establishing or supporting
4 a system of local or regional child care
5 resource and referral organizations
6 that is coordinated, to the extent de-
7 termined appropriate by the State, by
8 a statewide public or private non-
9 profit, community-based or regionally
10 based, lead child care resource and re-
11 ferral organization, as described in
12 section 658E(c)(3)(B)(iii) of the Child
13 Care and Development Block Grant
14 Act of 1990 (42 U.S.C.
15 9858e(c)(3)(B)(iii)).

16 (v) TECHNICAL ASSISTANCE.—From a
17 portion of the quality child care amount
18 described in subparagraph (A), the State,
19 in coordination with local governments and
20 staffed family child care networks as ap-
21 propriate, shall provide technical assistance
22 to increase the supply of eligible child care
23 providers in the State, such as—

24 (I) providing business startup
25 support;

1 (II) conducting outreach to re-
2 cruit new child care providers and in-
3 form such providers about the oppor-
4 tunities provided under this title, in-
5 cluding support for participation in
6 the tiered system for recognizing and
7 supporting the quality of child care
8 services described in subsection
9 (f)(3)(B);

10 (III) providing support to enable
11 providers to achieve licensure (includ-
12 ing providing support for child care
13 providers operating legally without a
14 child care license to obtain such li-
15 cense, such as providing, for individ-
16 uals seeking a child care license, pre-
17 licensing orientation and technical as-
18 sistance throughout the child care li-
19 censing process);

20 (IV) offering orientations for new
21 child care providers including orienta-
22 tions explaining support under pro-
23 grams such as the child and adult
24 care food program established under
25 section 17 of the Richard B. Russell

1 National School Lunch Act (42
2 U.S.C. 1766); and

3 (V) supporting the development
4 of shared service models for child care
5 programs.

6 (i) GRANTS TO LOCALITIES AND AWARDS TO HEAD
7 START PROGRAMS.—

8 (1) ELIGIBLE LOCALITY DEFINED.—In this
9 subsection, the term “eligible locality” means a city,
10 county, or other unit of general local government.

11 (2) GRANTS TO LOCALITIES.—

12 (A) IN GENERAL.—The Secretary shall use
13 funds appropriated under subsection (c)(2) to
14 award local Birth Through Five Child Care and
15 Early Learning Grants, as determined by the
16 Secretary, to eligible localities located in States
17 that have not received payments under sub-
18 section (g). The Secretary shall award the
19 grants to eligible localities in such a State from
20 the allotment made for that State under sub-
21 paragraph (B).

22 (B) ALLOTMENTS.—

23 (i) POVERTY LINE DEFINED.—In this
24 subparagraph, the term “poverty line”
25 means the poverty line defined and revised

1 as described in section 673 of the Commu-
2 nity Services Block Grant Act (42 U.S.C.
3 9902).

4 (ii) GENERAL AUTHORITY.—For each
5 State described in subparagraph (A), the
6 Secretary shall allot for the State for a fis-
7 cal year an amount that bears the same re-
8 lationship to the funds appropriated under
9 subsection (c)(2) and available to carry out
10 this paragraph for the fiscal year as the
11 number of children from families with fam-
12 ily incomes that are at or below 200 per-
13 cent of the poverty line, and who are under
14 the age of 6, in the State bears to the total
15 number of all such children in all States
16 described in subparagraph (A).

17 (C) APPLICATION.—To receive a grant
18 from the corresponding State allotment under
19 subparagraph (B), an eligible locality shall sub-
20 mit an application to the Secretary at such
21 time, in such manner, and containing such in-
22 formation as the Secretary may require. The re-
23 quirements for the application shall, to the
24 greatest extent practicable, be consistent with

1 the State plan requirements applicable to States
2 under subsection (f).

3 (D) REQUIREMENTS.—The Secretary shall
4 specify the requirements for an eligible locality
5 to provide access to child care, which child care
6 requirements shall, to the greatest extent prac-
7 ticable, be consistent with the requirements ap-
8 plicable to States under this section.

9 (E) RECOUPMENT OF UNUSED FUNDS.—
10 Notwithstanding any other provision of this sec-
11 tion, for each of fiscal years 2027 through
12 2031, the Secretary shall have the authority to
13 recoup any unused funds allotted under sub-
14 paragraph (B) for awards under paragraph
15 (3)(A) to Head Start agencies in accordance
16 with paragraph (3).

17 (3) HEAD START EXPANSION IN NONPARTICI-
18 PATING STATES.—

19 (A) IN GENERAL.—The Secretary shall use
20 funds appropriated under subsection (c)(2) or
21 recouped under paragraph (2) to make awards
22 to Head Start agencies in a State described in
23 paragraph (2)(A) to carry out the purposes of
24 the Head Start Act (42 U.S.C. 9831 et seq.) in
25 such State.

1 (B) RULE.—For purposes of carrying out
2 the Head Start Act in circumstances not involv-
3 ing awards under this paragraph, funds award-
4 ed under subparagraph (A) shall not be in-
5 cluded in the calculation of a “base grant” as
6 such term is defined in section 640(a)(7)(A) of
7 the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

8 (C) DEFINITION.—In this paragraph, the
9 term “Head Start agency” means an entity des-
10 ignated or eligible to be designated as a Head
11 Start agency under section 641(a)(1) of the
12 Head Start Act (42 U.S.C. 9836(a)(1)) or as
13 an Early Head Start agency (by receiving a
14 grant) under section 645A(a) of such Act (42
15 U.S.C. 9840a).

16 (4) PRIORITY FOR SERVING UNDERSERVED
17 POPULATIONS.—In making determinations to award
18 a grant or make an award under this subsection, the
19 Secretary shall give priority to entities serving a
20 high percentage of individuals from underserved
21 populations identified under subsection (f)(3)(I).

22 (j) PROGRAM REQUIREMENTS.—

23 (1) NONDISCRIMINATION.—The following provi-
24 sions of law shall apply to any program or activity
25 that receives funds provided under this section:

1 (A) Title IX of the Education Amendments
2 of 1972 (20 U.S.C. 1681 et seq.).

3 (B) Title VI of the Civil Rights Act of
4 1964 (42 U.S.C. 2000d et seq.).

5 (C) Section 504 of the Rehabilitation Act
6 of 1973 (29 U.S.C. 794).

7 (D) The Americans with Disabilities Act of
8 1990 (42 U.S.C. 12101 et seq.).

9 (2) PROHIBITION ON ADDITIONAL ELIGIBILITY
10 REQUIREMENTS.—No individual shall be determined,
11 by the Secretary, a State, or another recipient of
12 funds under this section, to be ineligible for child
13 care services provided under this section, except on
14 the basis of eligibility requirements specified in or
15 under this section.

16 (3) MAINTENANCE OF EFFORT.—

17 (A) IN GENERAL.—A State that receives
18 payments under this section for a fiscal year, in
19 using the funds made available through the
20 payments, shall maintain the expenditures of
21 the State for child care services at the average
22 level of such expenditures by the State for the
23 3 preceding fiscal years.

24 (B) COUNTING RULE.—State expenditures
25 counted for purposes of meeting the require-

1 ment in subparagraph (A) may also be counted
2 for purposes of meeting the requirement to pro-
3 vide a non-Federal share under subparagraph
4 (A), (B), or (C), as appropriate, of subsection
5 (g)(1).

6 (4) SUPPLEMENT NOT SUPPLANT.—Funds re-
7 ceived under this section shall be used to supplement
8 and not supplant other Federal, State, and local
9 public funds expended to provide child care services
10 in the State on the date of enactment of this Act,
11 calculated as the average amount of such Federal,
12 State, and local public funds expended for fiscal
13 years 2023, 2024, and 2025.

14 (5) ALLOWABLE SOURCES OF NON-FEDERAL
15 SHARE.—For purposes of providing the non-Federal
16 share required under subsection (g)(1), a State’s
17 non-Federal share—

18 (A) for direct child care services described
19 in subsection (g)(1)(A)—

20 (i) shall not include contributions
21 being used as a non-Federal share or
22 match for another Federal award; and

23 (ii) shall be provided from State or
24 local sources, contributions from philan-
25 thropy or other private organizations, or a

1 combination of such sources and contribu-
2 tions; and

3 (B) for activities to improve the quality
4 and supply of child care services described in
5 subsection (g)(1)(B), and administration de-
6 scribed in subsection (g)(1)(C)—

7 (i) shall not include contributions
8 being used as a non-Federal share or
9 match for another Federal award;

10 (ii) shall be provided from State or
11 local sources, contributions from philan-
12 thropy or other private organizations, or a
13 combination of such sources and contribu-
14 tions; and

15 (iii) may be in cash or in kind, fairly
16 evaluated, including facilities or property,
17 equipment, or services.

18 (k) MONITORING AND ENFORCEMENT.—

19 (1) REVIEW OF COMPLIANCE WITH REQUIRE-
20 MENTS AND STATE PLAN.—The Secretary shall re-
21 view and monitor compliance of States, territories,
22 Tribal entities, and local entities with this section
23 and State compliance with the State plan described
24 in subsection (f)(3).

1 (2) ISSUANCE OF RULE.—The Secretary shall
2 establish by rule procedures for—

3 (A) receiving, processing, and determining
4 the validity of complaints or findings concerning
5 any failure of a State to comply with the State
6 plan or any other requirement of this section;

7 (B) notifying a State when the Secretary
8 has determined there has been a failure by the
9 State to comply with a requirement of this sec-
10 tion; and

11 (C) imposing sanctions under this sub-
12 section for such a failure.

13 (l) FEDERAL ADMINISTRATION.—Using funds appro-
14 priated under subsection (c)(3), the Secretary shall carry
15 out administration of this section, shall provide (including
16 through the use of grants or cooperative agreements) tech-
17 nical assistance to States, territories, Indian Tribes, and
18 Tribal organizations, and shall carry out research and
19 evaluations related to this section.

20 (m) NONPOSTSECONDARY EDUCATION PROGRAM.—
21 For purposes of section 401 of the Act entitled “An Act
22 to provide for reconciliation pursuant to section 201(a)(1)
23 of the concurrent resolution on the budget for fiscal year
24 1997”, approved August 22, 1996, the program carried

1 out under this section shall be considered to be a program
2 of nonpostsecondary education.

3 (n) REPORTS.—

4 (1) COLLECTION OF INFORMATION BY
5 STATES.—

6 (A) IN GENERAL.—A State that receives
7 funds to carry out this section shall collect the
8 information described in subparagraph (B) on a
9 monthly basis.

10 (B) REQUIRED INFORMATION.—The infor-
11 mation required to be collected under this sub-
12 paragraph shall consist of, with respect to a
13 family receiving assistance under this section,
14 information concerning—

15 (i) family income;

16 (ii) county (or comparable local juris-
17 diction) of residence;

18 (iii) the gender, race and ethnicity,
19 and age of each child receiving such assist-
20 ance;

21 (iv) whether the head of the family is
22 a single parent;

23 (v) the number of months the family
24 has received such assistance;

1 (vi) the provider type with which the
2 child was enrolled;

3 (vii) the amount of the copayment
4 paid for child care provided under this sec-
5 tion;

6 (viii) the average hours per month of
7 such care, during the period for which such
8 information is required to be submitted;
9 and

10 (ix) whether the children receiving as-
11 sistance under this section are either chil-
12 dren with disabilities or infants and tod-
13 dlers with disabilities.

14 (C) SUBMISSION TO THE SECRETARY.—A
15 State described in subparagraph (A) shall, on a
16 quarterly basis, submit the information required
17 to be collected under subparagraph (B) to the
18 Secretary.

19 (D) USE OF SAMPLES.—

20 (i) AUTHORITY.—A State may comply
21 with the requirement to collect the infor-
22 mation described in subparagraph (B)
23 through the use of disaggregated case
24 record information for a sample of families
25 selected through the use of scientifically

1 acceptable sampling methods approved by
2 the Secretary.

3 (ii) SAMPLING AND OTHER METH-
4 ODS.—The Secretary shall provide the
5 States with such case record sampling
6 plans and data collection procedures as the
7 Secretary determines to be necessary to
8 produce statistically valid samples of the
9 information described in subparagraph
10 (B). The Secretary may develop and imple-
11 ment procedures for verifying the quality
12 of the data submitted by the States.

13 (E) PROHIBITION.—Reports submitted to
14 the Secretary under subparagraph (C) shall not
15 contain personally identifiable information.

16 (2) ANNUAL REPORTS.—Not later than 1 year
17 after the date of enactment of the Child Care for
18 Working Families Act, and annually thereafter, a
19 State shall prepare and submit to the Secretary a
20 report containing such information as the Secretary
21 may require, that includes at a minimum, the de-
22 scription and analysis described in paragraph (3)
23 and aggregate data concerning—

24 (A) the number of child care providers that
25 received funding under this section and licensed

1 capacity of such providers, and such data
2 disaggregated by provider type, by the quality
3 rating on the State's tiered system for recog-
4 nizing and supporting the quality of child care
5 services described in subsection (f)(3)(B) (re-
6 ferred to in this subsection as the "quality rat-
7 ing") of such providers, and by the geographic
8 area of such providers;

9 (B)(i) the total number of children, and
10 families with children, receiving child care serv-
11 ices funded under this section;

12 (ii) the percentage of children, and families
13 with children, receiving child care services fund-
14 ed under this section, among all children less
15 than 6 years of age, and all families with such
16 children, respectively, in all States; and

17 (iii) the data described in clause (i), and
18 the data described in clause (ii), disaggregated
19 for children, and families with children, by—

20 (I) race and ethnicity of the child in-
21 volved;

22 (II) family income of the child's fam-
23 ily;

24 (III) age of the child;

1 (IV) the child's status as an infant or
2 toddler with a disability or child with a dis-
3 ability;

4 (V) the child's status as a child expe-
5 riencing homelessness;

6 (VI) the child's status as a child in
7 foster care; and

8 (VII) the child's status (to the extent
9 the status is known) as a dual language
10 learner;

11 (C) the monthly child care subsidy pay-
12 ment rate paid to eligible child care providers
13 for child care services funded under this sec-
14 tion, as determined by the State's cost esti-
15 mation model or cost study described in sub-
16 section (f)(3)(A)(i), including any variation in
17 the rate by geographic area, provider type, age
18 of child, and costs associated with providing in-
19 clusive care;

20 (D) the amount of the copayment paid by
21 families for such child care services, and such
22 data disaggregated by family income;

23 (E) the number and percentage of pay-
24 ments made by the State for such services to el-
25 igible child care providers through certificates,

1 grants, and contracts, and such data
2 disaggregated by provider type;

3 (F) the manner in which consumer edu-
4 cation information was provided to parents and
5 the number of parents to whom such informa-
6 tion was provided under this section;

7 (G) the number of child fatalities occurring
8 among children while in the care or facility of
9 child care providers funded under this section,
10 and such data disaggregated by provider type;

11 (H) the geographic area of child care pro-
12 viders funded under this section;

13 (I) the quality features of child care serv-
14 ices provided by providers funded under this
15 section, compared to the quality features of
16 child care services provided by other child care
17 providers, to the extent possible, including data
18 on quality features such as—

19 (i) amount of staff wages and other
20 compensation (including benefits);

21 (ii) length of staff retention;

22 (iii) presence of coaching and profes-
23 sional development activities;

24 (iv) number of providers remaining
25 open through the year covered;

1 (v) measured parent satisfaction; and

2 (vi) presence of provision of informa-

3 tion in languages other than English;

4 (J) the quality features of child care serv-

5 ices received by children and funded under this

6 section, and such data disaggregated by the

7 children's—

8 (i) race and ethnicity;

9 (ii) family income;

10 (iii) age;

11 (iv) status as an infant or toddler

12 with a disability or child with a disability;

13 (v) status as a child experiencing

14 homelessness;

15 (vi) status as a child in foster care;

16 and

17 (vii) status (to the extent the status is

18 known) as a dual language learner;

19 (K) the number of child care providers,

20 listed by provider type, geographic area, and

21 provider quality rating, that received—

22 (i) a startup or supply expansion

23 grant under subsection (h)(3)(B)(i);

24 (ii) a quality grant under subsection

25 (h)(3)(B)(ii); or

1 (iii) a facilities grant under subsection

2 (h)(3)(B)(iii); and

3 (L) the average wages (including salaries)

4 or other compensation for staff of eligible child

5 care providers funded under this section, and

6 such data disaggregated by provider type, job

7 position type, and to the extent possible, staff

8 race and ethnicity.

9 (3) DESCRIPTION AND ANALYSIS.—The State
10 shall include in each report described in paragraph

11 (2)—

12 (A) a description of whether there are in-

13 equities in how child care providers with quality

14 features described in paragraph (2)(I) are dis-

15 tributed among children served under this sec-

16 tion; and

17 (B) an analysis of the State's child care

18 supply, including an analysis of the number of

19 child care slots with licensed child care pro-

20 viders that were added or lost by the State in

21 the covered year, and trends in such addition or

22 loss by provider type and quality rating of child

23 care provider.

24 (4) RULE ON DISAGGREGATION.—Nothing in

25 this paragraph shall require disaggregation of data

1 if the disaggregation involved would reveal person-
2 ally identifiable information about an individual pro-
3 vider or child.

4 (o) REPORTS TO CONGRESS.—The Secretary shall—

5 (1) submit an annual report to the Committee
6 on Health, Education, Labor, and Pensions and the
7 Committee on Appropriations of the Senate and the
8 Committee on Education and the Workforce and the
9 Committee on Appropriations of the House of Rep-
10 resentatives, summarizing the findings from the re-
11 ports received under subsection (n)(2); and

12 (2) make such report publicly available on the
13 website of the Department of Health and Human
14 Services.

15 (p) TRANSITION PROVISIONS.—

16 (1) TREATMENT OF CHILD CARE AND DEVEL-
17 OPMENT BLOCK GRANT FUNDS.—For each of fiscal
18 years 2026 through 2031, a State receiving assist-
19 ance under this section shall not use more than 15
20 percent of any funds received under the Child Care
21 and Development Block Grant Act of 1990 (42
22 U.S.C. 9857 et seq.) to provide assistance for direct
23 child care services to children who are under the age
24 of 6, are not yet in kindergarten, and are eligible
25 under that Act.

1 (2) SPECIAL RULES REGARDING ELIGIBILITY.—

2 Any child who is less than 6 years of age, is not yet
3 in kindergarten, and is receiving assistance under
4 the Child Care and Development Block Grant Act of
5 1990 on the date funding is first allocated to the
6 lead agency for the State, territory, Indian Tribe, or
7 Tribal organization involved under this section—

8 (A) shall be deemed immediately eligible to
9 receive assistance under this section; and

10 (B) may continue to use the child care pro-
11 vider of the family's choice.

12 (3) TRANSITION PROCEDURES.—The Secretary
13 is authorized to institute procedures for imple-
14 menting this section, including issuing guidance for
15 States receiving funds under subsection (g).

16 **TITLE II—BUILDING AN AFFORD-**
17 **ABLE SYSTEM FOR EARLY**
18 **EDUCATION GRANTS**

19 **SEC. 201. PURPOSES.**

20 The purposes of this title are to make child care serv-
21 ices more accessible for families and to support the sta-
22 bility and quality of eligible child care providers by—

23 (1) promoting the stability of the child care sec-
24 tor by providing a source of stable funding to eligible

1 child care providers to help offset their operating ex-
2 penses;

3 (2) supporting sustained and increased wages
4 for early childhood educators or other staff of eligi-
5 ble child care providers, in order to stabilize and
6 grow the child care workforce;

7 (3) expanding the supply and capacity of eligi-
8 ble child care providers to ensure working families
9 have a range of high-quality, affordable child care
10 options, in a variety of settings, that meet their
11 unique needs; and

12 (4) supporting access to child care services for
13 communities facing a particular shortage of child
14 care options, including child care services for infants
15 and toddlers, child care services during nontradi-
16 tional or extended hours, and inclusive child care
17 services for children with disabilities.

18 **SEC. 202. DEFINITIONS.**

19 In this title:

20 (1) CCDBG TERMS.—The terms “child care
21 certificate”, “child with a disability”, “family child
22 care provider”, “lead agency”, “Secretary”, and
23 “State” have the meanings given the terms in sec-
24 tion 658P of the Child Care and Development Block
25 Grant Act of 1990 (42 U.S.C. 9858n). The terms

1 “Indian Tribe” and “Tribal organization” have the
2 meanings given the terms “Indian tribe” and “tribal
3 organization” in section 658P of that Act.

4 (2) ELIGIBLE CHILD CARE PROVIDER.—The
5 term “eligible child care provider” means—

6 (A) an eligible child care provider as de-
7 fined in section 658P of the Child Care and De-
8 velopment Block Grant Act of 1990; and

9 (B) an eligible child care provider as de-
10 fined in title I.

11 (3) INFANT OR TODDLER.—The term “infant
12 or toddler” means an individual who is less than 3
13 years of age.

14 (4) INFANT OR TODDLER WITH A DIS-
15 ABILITY.—The term “infant or toddler with a dis-
16 ability” has the meaning given the term in section
17 101(b).

18 (5) PROVIDER TYPE.—The term “provider
19 type” means a type that is—

20 (A) a center-based child care provider;

21 (B) a family child care provider; or

22 (C) another non-center-based child care
23 provider.

1 **SEC. 203. SECRETARIAL RESERVATION.**

2 From the funds appropriated to carry out this title,
3 the Secretary shall reserve not more than 3 percent for
4 the Federal administration of grants described in section
5 204, which may include providing technical assistance to
6 the lead agencies.

7 **SEC. 204. GRANTS.**

8 (a) IN GENERAL.—From the amounts appropriated
9 to carry out this title that remain after the Secretary
10 makes the reservation required under section 203, and
11 under the authority of section 658O of the Child Care and
12 Development Block Grant Act of 1990 (42 U.S.C. 9858m)
13 and this section, the Secretary shall award to each lead
14 agency a BASE Grant, without regard to the requirements
15 in subparagraphs (C) and (E) of section 658E(c)(3), and
16 in section 658G, of that Act (42 U.S.C. 9858c(c)(3),
17 9858e). Such grant shall be made from an amount allotted
18 in accordance with section 658O of that Act (42 U.S.C.
19 9858m), excluding paragraphs (3) through (5) of sub-
20 section (a) of that section.

21 (b) PAYMENTS FOR INDIAN CHILDREN.—In accord-
22 ance with section 658O of that Act, the Secretary may
23 make BASE Grants to Indian Tribes or Tribal organiza-
24 tions for the planning and carrying out of programs or
25 activities consistent with the objectives of this title.

1 **SEC. 205. STATE APPLICATION.**

2 To be eligible to receive a grant under section 204,
3 a lead agency shall submit an application to the Secretary
4 at such time, in such manner, and including such informa-
5 tion as the Secretary may reasonably require, including—

6 (1) a description of the process the lead agency
7 will establish to award subgrant funds to eligible
8 child care providers under this title;

9 (2) a description of how the lead agency will, in
10 determining the subgrant amount for an eligible
11 child care provider under this title—

12 (A) ensure such subgrant is sufficient to
13 support the ongoing operations and long-term
14 sustainability of the eligible child care provider;

15 (B) account for the cost of providing high-
16 quality child care services, including—

17 (i) variations in the cost of child care
18 services related to geographic area, pro-
19 vider type, size of provider, and age of
20 child served;

21 (ii) costs associated with providing
22 care during nontraditional or extended
23 hours;

24 (iii) costs associated with serving chil-
25 dren with disabilities, including infants and
26 toddlers with disabilities; and

1 (iv) costs associated with meeting
2 group sizes and ratios necessary to support
3 high-quality and inclusive child care serv-
4 ices, including for infants and toddlers;

5 (C) account for the cost of attracting,
6 training, and retaining a qualified and skilled
7 workforce, which shall include at a minimum,
8 supporting increased wages for all staff of the
9 provider, as described in section 209(5); and

10 (D) if the lead agency uses a formula for
11 awarding such a subgrant that is based on gen-
12 eral cost estimates, base such estimates on the
13 provider's enrollment capacity rather than at-
14 tendance;

15 (3) a description of how the lead agency will
16 work with the eligible child care providers to improve
17 the quality of child care services, which may include
18 improving the State's tiered system for recognizing
19 and supporting the quality of child care services de-
20 scribed in section 101(f)(3)(B); and

21 (4) a description of how the lead agency will
22 use funds reserved under section 207(a)(1) to con-
23 duct widespread outreach and provide technical as-
24 sistance to eligible child care providers (including
25 family child care providers, providers with limited

1 administrative capacity, and providers whose pri-
2 mary language is not English), either directly or
3 through child care resource and referral organiza-
4 tions, staffed family child care networks, or local
5 governments, to ensure such providers are aware of
6 the subgrants available under this title and are able
7 to apply for and manage the resources provided
8 through such subgrants.

9 **SEC. 206. ADMINISTRATION.**

10 Activities funded under a grant made for a State
11 under section 204 may be administered—

- 12 (1) directly by the State's lead agency; or
13 (2) under a grant or contract to provide such
14 administration, through another State government
15 agency, a local or regional child care resource and
16 referral organization, a community development fi-
17 nancial institution, another nonprofit intermediary
18 with experience supporting child care providers, or
19 another appropriate entity.

20 **SEC. 207. STATE ACTIVITIES AND SUBGRANTS.**

21 (a) IN GENERAL.—A lead agency for a State that
22 receives a BASE Grant pursuant to section 204 shall—

- 23 (1) reserve not more than 10 percent of the
24 grant funds to administer subgrants, provide tech-
25 nical assistance and support to enable all provider

1 types to apply for, access, and manage the resources
2 provided through such subgrants and other sources
3 of public financial assistance available for the objec-
4 tives of this title, publicize the availability of the
5 subgrants, and carry out activities to increase the
6 supply of child care services, under this title; and

7 (2) with the remaining grant funds, make sub-
8 grants to eligible child care providers to carry out
9 the activities described in section 210.

10 (b) SUBGRANT PERIOD.—The lead agency shall make
11 the subgrants for a period of 5 years.

12 (c) PAYMENT PRACTICES.—The lead agency shall
13 make the subgrant payments in advance, with necessary
14 adjustments on account of overpayments or underpay-
15 ments.

16 **SEC. 208. PRIORITY FOR SUBGRANTS.**

17 (a) IN GENERAL.—In making subgrants under this
18 title, the lead agency shall give priority to eligible child
19 care providers that—

20 (1) provide child care services during nontradi-
21 tional or extended hours;

22 (2) provide child care services to infants and
23 toddlers;

24 (3) provide child care services to dual language
25 learners, children with disabilities, children experi-

1 encing homelessness, children in foster care, or chil-
2 dren from low-income families;

3 (4) provide child care services to children whose
4 families received subsidies under the Child Care and
5 Development Block Grant Act of 1990 (42 U.S.C.
6 9857 et seq.) or under title I, as applicable, for the
7 child care services;

8 (5) operate in communities, including commu-
9 nities with a high proportion of children in house-
10 holds with incomes below the poverty line and rural
11 communities, with a low supply of child care serv-
12 ices; or

13 (6) are small business concerns, as defined in
14 section 3 of the Small Business Act (15 U.S.C.
15 632), or nonprofit organizations that are described
16 in section 501(c)(3) of the Internal Revenue Code of
17 1986 and exempt from taxation under section
18 501(a) of such Code.

19 (b) DEFINITION.—In this section, the term “poverty
20 line” means the poverty line defined and revised as de-
21 scribed in section 673 of the Community Services Block
22 Grant Act (42 U.S.C. 9902).

23 **SEC. 209. ELIGIBLE CHILD CARE PROVIDER APPLICATION.**

24 To be qualified to receive a subgrant under this title,
25 an eligible child care provider shall submit to the cor-

1 responding lead agency, at such time and in such manner
2 as the lead agency may reasonably require, an application
3 containing each of the following:

4 (1) A description of how the eligible child care
5 provider meets the priority requirements in section
6 208, if applicable.

7 (2) An assurance that the eligible child care
8 provider accepts child care subsidies in the form of
9 certificates, grants, or contracts as authorized under
10 the Child Care Development Block Grant Act of
11 1990 (42 U.S.C. 9857 et seq.), or child care sub-
12 sidies in the form of certificates, grants, or contracts
13 under title I, as an acceptable form of payment, re-
14 gardless of whether children who are the bene-
15 ficiaries of the child care subsidies are actually en-
16 rolled.

17 (3) An assurance that the eligible child care
18 provider, for the duration of the period of the grant
19 under section 204, will be open and available to
20 serve children unless temporarily closed due to or for
21 a building safety issue or maintenance as a result of
22 a building safety issue, widespread illness or a staff
23 shortage, a routine closure or break due to a holiday
24 or scheduled staff professional development session,
25 or a state of emergency, major disaster, or emer-

1 agency within the meaning of section 658E(c)(2)(U)
2 of the Child Care Development Block Grant Act of
3 1990 (42 U.S.C. 9858c(c)(2)(U)).

4 (4) A description of how the eligible child care
5 provider will use funds provided under the subgrant
6 to improve the quality of child care services and op-
7 erations, such as through participation in a State's
8 tiered system for recognizing and supporting the
9 quality of child care services.

10 (5) A description of how the eligible child care
11 provider will pay staff increased compensation over
12 the course of the grant period including, at a min-
13 imum, providing—

14 (A) annual cost-of-living adjustments; and

15 (B) graduated pay increases based on a
16 staff member's credentials, experience, and job
17 responsibilities, including, for a provider with
18 15 or more staff, a wage ladder based on the
19 credentials, experience, and responsibilities.

20 **SEC. 210. USE OF FUNDS.**

21 (a) IN GENERAL.—An eligible child care provider
22 that receives a subgrant under this title—

23 (1) shall use at least 70 percent of subgrant
24 funds for child care personnel costs, including—

1 (A) wages (including salaries), or similar
2 compensation for a person who is a staff mem-
3 ber or any sole proprietor or independent con-
4 tractor, aligned with wage standards; and

5 (B)(i) annual cost-of-living adjustments for
6 staff; and

7 (ii) graduated pay increases based on a
8 staff member's credentials, experience, and job
9 responsibilities, including, for a provider with
10 15 or more staff, a wage ladder based on the
11 credentials, experience, and responsibilities; and

12 (2) may use the subgrant funds for costs of ac-
13 tivities related to the provider's program, consisting
14 of—

15 (A) professional development and instruc-
16 tional coaching for staff involved in the direct
17 education and care of children, and providing
18 support for planning and instruction;

19 (B) providing recruitment and retention
20 bonuses for staff;

21 (C) providing staff benefits, such as health
22 insurance, paid leave (including parental, fam-
23 ily, medical, sick, and bereavement leave, and
24 including personal leave or vacation), and funds
25 for retirement accounts;

1 (D) hiring staff, including conducting
2 background checks, and including hiring staff
3 to reduce staff-to-child ratios or substitute staff
4 to support use of paid leave;

5 (E) paying for occupancy, including mak-
6 ing payments for—

7 (i) rent (including rent under a lease),
8 or on any mortgage obligation; and

9 (ii) insurance, utilities, and mainte-
10 nance;

11 (F) obtaining equipment, repairs, supplies,
12 services, and training necessary to ensure com-
13 pliance with applicable health, safety, edu-
14 cational, and quality requirements and to sup-
15 port high-quality, developmentally appropriate
16 child care services, and achieving licensure as a
17 child care provider;

18 (G) providing comprehensive services to
19 support the health, including mental health,
20 and well-being, of children and families from
21 underserved populations, as described in section
22 101(f)(3)(I);

23 (H) improving the quality of child care
24 services in a way that is appropriate for child

1 development by provider type involved, and for
2 the age group of the children served; and

3 (I) providing inclusive and developmentally
4 appropriate care for children with disabilities,
5 including implementing reasonable accommoda-
6 tions, making space more accessible, and pro-
7 viding additional staffing and coordinating early
8 intervention services provided through the pro-
9 vider's program with early intervention services
10 provided through other early childhood pro-
11 grams.

12 (b) SPECIAL RULE FOR STATES PARTICIPATING IN
13 TITLE I PROGRAM.—Notwithstanding subsection (a) and
14 subject to the approval of the Secretary, a lead agency
15 of a State participating in the program established in title
16 I may make alternative uses of the funds received through
17 a grant made under section 204, if such funds support—

18 (1) the provision of high-quality, affordable
19 child care services, in accordance with title I;

20 (2) compensation for early childhood educators
21 and staff of child care programs, of eligible child
22 care providers, that meet the requirements of title I;
23 or

24 (3) initiatives to expand the supply of eligible
25 child care providers or improve the quality of child

1 care services provided by eligible child care pro-
2 viders.

3 (c) RULE.—For purposes of subsection (a), the terms
4 “staff” and “staff member” include a person described in
5 subsection (a)(1)(A).

6 **SEC. 211. REPORTING.**

7 (a) LEAD AGENCY REPORTS.—Not later than 1 year
8 after a lead agency has received a grant under section 204
9 and annually thereafter, the lead agency shall submit to
10 the Secretary, in such manner and containing such infor-
11 mation as the Secretary may require, a report that in-
12 cludes, at a minimum—

13 (1) the total number of eligible child care pro-
14 viders who applied for a subgrant under this title
15 relative to the total number of eligible child care pro-
16 viders in the State, disaggregated by provider type,
17 race and ethnicity of provider, and geographic area;

18 (2) the total number of eligible child care pro-
19 viders that received such a subgrant (referred to in
20 this section as a “subgrant recipient”) relative to the
21 total number of eligible child care providers in the
22 State, disaggregated by provider type, race and eth-
23 nicity of provider, and geographic area;

1 (3) information stating the lead agency's meth-
2 odology for determining the amounts of subgrants
3 under section 207(a)(2);

4 (4) the average and range of the subgrant
5 amounts made available by the lead agency,
6 disaggregated by provider type, race and ethnicity of
7 provider, and geographic area;

8 (5) the percentages, of the subgrant recipients,
9 that—

10 (A) provided child care services during
11 nontraditional or extended hours;

12 (B) served dual language learners, children
13 with disabilities, children experiencing homeless-
14 ness, children in foster care, children from low-
15 income families, or infants and toddlers;

16 (C) served children whose families received
17 subsidies under the Child Care and Develop-
18 ment Block Grant Act of 1990 (42 U.S.C. 9857
19 et seq.) or under title I, as applicable, for the
20 child care services;

21 (D) operated in communities described in
22 section 208(a)(5); and

23 (E) are concerns or organizations de-
24 scribed in section 208(a)(6);

1 (6) the enrollment capacity of and average
2 monthly attendance of children (by age) served by
3 the subgrant recipients;

4 (7) the average family tuition for a subgrant re-
5 cipient, disaggregated by—

6 (A) age of the child served; and

7 (B) provider type;

8 (8) the average wages (including salaries), or
9 similar compensation specified in section
10 210(a)(1)(A) of staff of a subgrant recipient,
11 disaggregated by provider type;

12 (9) the percentages of subgrant recipients, for
13 each of the provider types;

14 (10) the percentage of subgrant recipients that
15 have staff members that are represented by labor or-
16 ganizations;

17 (11) information about how the subgrant recipi-
18 ents used the funds received under such a subgrant,
19 including how funds were used for child care per-
20 sonnel costs;

21 (12) information about how the lead agency
22 used funds reserved under section 207(a)(1);

23 (13) a description of how the lead agency pub-
24 licized the availability of the subgrants, including
25 through making applications and materials available

1 in multiple languages, and provided technical assist-
2 ance and support to ensure all provider types were
3 able to apply for and access the subgrants; and

4 (14)(A) information about subgrant recipients
5 that have corporate or other business relationships
6 across multiple locations and serve more than 5,000
7 children in the year covered by the report; and

8 (B) the percentage of all children served by
9 subgrant recipients that are subgrant recipients de-
10 scribed in subparagraph (A).

11 (b) REPORTS TO CONGRESS.—The Secretary shall—

12 (1) submit an annual report to the Committee
13 on Health, Education, Labor, and Pensions and the
14 Committee on Appropriations of the Senate and the
15 Committee on Education and the Workforce and the
16 Committee on Appropriations of the House of Rep-
17 resentatives, summarizing the findings from the re-
18 ports received under subsection (a); and

19 (2) make such report publicly available on the
20 website of the Department of Health and Human
21 Services.

22 **SEC. 212. SUPPLEMENT NOT SUPPLANT.**

23 Amounts made available to carry out this title shall
24 be used to supplement and not supplant other Federal,

1 State, and local public funds expended to provide child
2 care services for eligible individuals.

3 **SEC. 213. APPROPRIATIONS.**

4 In addition to amounts otherwise available, there is
5 appropriated to the Department of Health and Human
6 Services, out of any money in the Treasury not otherwise
7 appropriated to carry out this title, \$9,000,000,000 for
8 each of fiscal years 2026 through 2031.

9 **TITLE III—UNIVERSAL**
10 **PRESCHOOL**

11 **SEC. 301. DEFINITIONS.**

12 In this section:

13 (1) CHILD EXPERIENCING HOMELESSNESS.—

14 The term “child experiencing homelessness” means
15 an individual who is a homeless child or youth under
16 section 725 of the McKinney-Vento Homeless Assist-
17 ance Act (42 U.S.C. 11434a).

18 (2) CHILD WITH A DISABILITY.—The term
19 “child with a disability” has the meaning given the
20 term in section 602 of the Individuals with Disabil-
21 ities Education Act (20 U.S.C. 1401).

22 (3) COMPREHENSIVE SERVICES.—The term
23 “comprehensive services” means services that are
24 provided to children and their families, and that are
25 health, educational, nutritional, social, and other

1 services that are determined, based on family needs
2 assessments, to be necessary, within the meaning of
3 section 636 of the Head Start Act (42 U.S.C. 9831).

4 (4) DUAL LANGUAGE LEARNER.—The term
5 “dual language learner” means a child who is learn-
6 ing 2 or more languages at the same time, or a child
7 who is learning a second language while continuing
8 to develop the child’s first language.

9 (5) ELIGIBLE CHILD.—The term “eligible
10 child” means a child who is age 3 or 4, on the date
11 established by the applicable local educational agen-
12 cy for kindergarten entry.

13 (6) ELIGIBLE PROVIDER.—The term “eligible
14 provider” means—

15 (A) a local educational agency, acting
16 alone or in a consortium or in collaboration
17 with an educational service agency (as defined
18 in section 8101 of the Elementary and Sec-
19 ondary Education Act of 1965 (20 U.S.C.
20 7801)), that is licensed by the State or meets
21 comparable health and safety standards;

22 (B) a Head Start agency or delegate agen-
23 cy funded under the Head Start Act (42 U.S.C.
24 9831 et seq.);

1 (C) a licensed center-based child care pro-
2 vider, licensed family child care provider, or
3 network of licensed family child care providers;
4 or

5 (D) a consortium of entities described in
6 any of subparagraphs (A), (B), and (C).

7 (7) HEAD START AGENCY.—The term “Head
8 Start agency”, as used in paragraph (6)(B), or sec-
9 tion 303(e)(4) or 306(a), means an entity designated
10 as a Head Start agency under section 641(a)(1) of
11 the Head Start Act (42 U.S.C. 9836(a)(1)) or as an
12 Early Head Start agency (by receiving a grant)
13 under section 645A(a) of such Act (42 U.S.C.
14 9840a(a)).

15 (8) INDIAN TRIBE.—The term “Indian Tribe”
16 has the meaning given the term in section 4 of the
17 Indian Self-Determination and Education Assistance
18 Act (25 U.S.C. 5304).

19 (9) LOCAL EDUCATIONAL AGENCY.—The term
20 “local educational agency” has the meaning given
21 the term in section 8101 of the Elementary and Sec-
22 ondary Education Act of 1965 (20 U.S.C. 7801).

23 (10) POVERTY LINE.—The term “poverty line”
24 means the poverty line defined and revised as de-

1 scribed in section 673 of the Community Services
2 Block Grant Act (42 U.S.C. 9902).

3 (11) SECRETARY.—The term “Secretary”
4 means the Secretary of Health and Human Services.

5 (12) STATE.—The term “State” means each of
6 the several States and the District of Columbia.

7 (13) TERRITORY.—The term “territory” means
8 each of the Commonwealth of Puerto Rico, the
9 United States Virgin Islands, Guam, American
10 Samoa, and the Commonwealth of the Northern
11 Mariana Islands.

12 (14) TRIBAL ORGANIZATION.—The term “Trib-
13 al organization” has the meaning given the term
14 “tribal organization” in section 658P of the Child
15 Care and Development Block Grant Act of 1990 (42
16 U.S.C. 9858n).

17 **SEC. 302. UNIVERSAL PRESCHOOL.**

18 (a) APPROPRIATIONS FOR STATES.—In addition to
19 amounts otherwise available, there is appropriated to the
20 Department of Health and Human Services, out of any
21 money in the Treasury not otherwise appropriated, such
22 sums as may be necessary for each of fiscal years 2026
23 through 2031, for payments to States, for carrying out
24 this title (except provisions and activities covered by sub-
25 section (b)).

1 (b) ADDITIONAL APPROPRIATIONS.—In addition to
2 amounts otherwise available, there is appropriated to the
3 Department of Health and Human Services for fiscal year
4 2026, out of any money in the Treasury not otherwise ap-
5 propriated—

6 (1) \$2,500,000,000, to remain available until
7 September 30, 2031, for carrying out payments to
8 Indian Tribes and Tribal organizations for activities
9 described in this title;

10 (2) \$1,250,000,000, to remain available until
11 September 30, 2031, for carrying out payments to
12 the territories, to be distributed among the terri-
13 tories on the basis of their relative need, as deter-
14 mined by the Secretary in accordance with the objec-
15 tives of this title, for activities described in this title;

16 (3) \$300,000,000, to remain available until
17 September 30, 2031, for carrying out payments to
18 eligible local entities that serve children in families
19 who are engaged in migrant or seasonal agricultural
20 labor, for activities described in this title;

21 (4) \$995,000,000, to remain available until
22 September 30, 2031, for carrying out Federal activi-
23 ties to support the activities funded under this title,
24 including administration, monitoring, technical as-

1 sistance, and research, in fiscal years 2026 through
2 2031; and

3 (5) \$20,000,000,000, to remain available until
4 September 30, 2031, to carry out the program of
5 grants to localities described in subsections (b) and
6 (c) of section 306.

7 **SEC. 303. PAYMENTS FOR STATE UNIVERSAL PRESCHOOL**
8 **SERVICES.**

9 (a) IN GENERAL.—A State that has submitted, and
10 had approved by the Secretary in collaboration with the
11 Secretary of Education, the State plan described in sub-
12 section (e) is entitled to a payment under this section.

13 (b) PAYMENTS FOR FISCAL YEARS 2026 THROUGH
14 2031.—

15 (1) PRESCHOOL SERVICES.—For each of fiscal
16 years 2026 through 2031, the Secretary shall pay to
17 each State with an approved State plan under sub-
18 section (e), an amount for that year equal to—

19 (A) 90 percent of the State’s expenditures
20 in the year for preschool services provided
21 under section 304, for fiscal year 2026;

22 (B) 90 percent of the State’s expenditures
23 in the year for such preschool services, for fiscal
24 year 2027;

1 (C) 80 percent of the State's expenditures
2 in the year for such preschool services, for fiscal
3 year 2028;

4 (D) 75 percent of the State's expenditures
5 in the year for such preschool services, for fiscal
6 year 2029;

7 (E) 65 percent of the State's expenditures
8 in the year for such preschool services, for fiscal
9 year 2030; and

10 (F) 60 percent of the State's expenditures
11 in the year for such preschool services, for fiscal
12 year 2031.

13 (2) STATE ACTIVITIES.—The Secretary shall
14 pay to each State with an approved State plan under
15 subsection (e) an amount for a fiscal year equal to
16 50 percent of the amount of the State's expenditures
17 for the activities described in subsection (c), and sys-
18 tem-wide activities similar to those described in sub-
19 section (c) for the State's entire birth through 5
20 year old early childhood system, except that in no
21 case shall a payment for a fiscal year under this
22 paragraph exceed the amount equal to 10 percent of
23 the State's expenditures described in paragraph (1)
24 for such fiscal year.

1 (3) NON-FEDERAL SHARE.—The remainder of
2 the cost paid by the State for preschool services,
3 that is not provided under paragraph (1), shall be
4 considered the non-Federal share of the cost of those
5 services. The remainder of the cost paid by the State
6 for State activities, that is not provided under para-
7 graph (2), shall be considered the non-Federal share
8 of the cost of those activities.

9 (4) ADVANCE PAYMENT; RETROSPECTIVE AD-
10 JUSTMENT.—The Secretary shall make a payment
11 under paragraph (1) or (2) for a year on the basis
12 of advance estimates of expenditures submitted by
13 the State and such other investigation as the Sec-
14 retary may find necessary, and shall reduce or in-
15 crease the payment as necessary to adjust for any
16 overpayment or underpayment for a previous year.

17 (c) STATE ACTIVITIES.—A State that receives a pay-
18 ment under subsection (b) shall carry out all of the fol-
19 lowing activities:

20 (1) State administration of the State preschool
21 program described in this section.

22 (2) Supporting a continuous quality improve-
23 ment system for providers of preschool services par-
24 ticipating, or seeking to participate, in the State pre-
25 school program, through the use of data, research,

1 monitoring, training, technical assistance, profes-
2 sional development, and coaching.

3 (3) Providing outreach and enrollment support
4 for families of eligible children.

5 (4) Supporting data systems building to ensure
6 that the State has the capacity to manage and im-
7 plement data systems that allow data sharing among
8 and between preschools, elementary schools, and sec-
9 ondary schools.

10 (5) Supporting staff of eligible providers
11 through professional development and coaching, and
12 supporting staff in pursuing credentials and degrees,
13 including baccalaureate degrees.

14 (6) Supporting activities that ensure access to
15 inclusive preschool programs for children with dis-
16 abilities.

17 (7) Providing age-appropriate transportation
18 services for children, which at a minimum shall in-
19 clude transportation services for children experi-
20 encing homelessness and children in foster care.

21 (8) Conducting or updating a statewide needs
22 assessment of access to high-quality preschool serv-
23 ices.

24 (d) LEAD AGENCY.—The Governor of a State desir-
25 ing for the State to receive a payment under this section

1 shall designate a lead agency (such as a State agency or
2 joint interagency office) for the administration of the
3 State's preschool program under this section.

4 (e) STATE PLAN.—In order to be eligible for pay-
5 ments under this section, the Governor of a State shall
6 submit a State plan to the Secretary for approval by the
7 Secretary, in collaboration with the Secretary of Edu-
8 cation, at such time, in such manner, and containing such
9 information as the Secretary shall by rule require, that
10 includes a plan for achieving universal, high-quality, free,
11 inclusive, and mixed-delivery preschool services. Such plan
12 shall include, at a minimum, each of the following:

13 (1) A certification that—

14 (A) the State has in place, or will have in
15 place no later than 1 year after the State first
16 receives funding under this section, develop-
17 mentally appropriate, evidence-based preschool
18 education standards that, at a minimum, are as
19 rigorous as the standards specified in subpara-
20 graph (B) of section 641A(a)(1) of the Head
21 Start Act (42 U.S.C. 9836a(a)(1)) and include
22 program standards for class sizes and ratios;
23 and

1 (B) the State will coordinate such stand-
2 ards with other early learning standards in the
3 State.

4 (2) An assurance that the State will ensure—

5 (A) all preschool services in the State
6 funded under this section will—

7 (i) be universally available to all chil-
8 dren in the State without any additional
9 eligibility requirements; and

10 (ii) be high-quality, free, and inclu-
11 sive; and

12 (B) that the local preschool programs in
13 the State funded under this section will—

14 (i) by not later than 18 months after
15 the program receives such funding, meet
16 the State's preschool education standards
17 described in paragraph (1);

18 (ii) offer programming that meets the
19 duration requirements of at least 1,020 an-
20 nual hours;

21 (iii) adopt policies and practices to
22 conduct outreach and provide expedited en-
23 rollment, including prioritization, to—

24 (I) children experiencing home-
25 lessness (which, in the case of a child

1 attending a program provided by an
2 eligible provider described in section
3 301(6)(A), shall include immediate
4 enrollment for the child);

5 (II) children in foster care or
6 kinship care;

7 (III) children in families who are
8 engaged in migrant or seasonal agri-
9 cultural labor;

10 (IV) children with disabilities, in-
11 cluding eligible children who are
12 served under part C of the Individuals
13 with Disabilities Education Act (20
14 U.S.C. 1431 et seq.); and

15 (V) dual language learners;

16 (iv) provide for salaries, and set
17 schedules for salaries, for staff of providers
18 in the State preschool program, including
19 staff serving infants and toddlers employed
20 by the same provider, that are equivalent
21 to salaries of elementary school staff with
22 similar credentials and experience;

23 (v) at a minimum, provide a living
24 wage for all staff of such providers; and

1 (vi) require educational qualifications
2 for teachers in the preschool program in-
3 cluding, at a minimum, requiring that lead
4 teachers in the preschool program have a
5 baccalaureate degree in early childhood
6 education or a related field by not later
7 than 6 years after the date on which the
8 State first receives funds under this sec-
9 tion, except that—

10 (I) subject to subclause (II), the
11 requirements under this clause shall
12 not apply to individuals who were em-
13 ployed by an eligible provider or early
14 education program for a cumulative 3
15 of the 5 years immediately preceding
16 the date of enactment of this Act and
17 have the necessary content knowledge
18 and teaching skills for early childhood
19 educators, as demonstrated through
20 measures determined by the State;
21 and

22 (II) nothing in this section shall
23 require the State to lessen State re-
24 quirements for educational qualifica-
25 tions, in existence on the date of en-

1 actment of this Act, to serve as a
2 teacher in a State preschool program.

3 (3) For States with existing publicly funded
4 State preschool programs (as of the date of submis-
5 sion of the State plan), a description of how the
6 State plans to use funding provided under this sec-
7 tion to ensure that such existing programs in the
8 State meet the requirements of this title for a State
9 preschool program.

10 (4) A description of how the State, in estab-
11 lishing and operating the State preschool program
12 supported under this section, will—

13 (A) support a mixed-delivery system for
14 any new slots funded under this section, includ-
15 ing by facilitating the participation of Head
16 Start programs and programs offered by li-
17 censed child care providers;

18 (B) ensure the State preschool program
19 does not disrupt the stability of infant and tod-
20 dler child care throughout the State;

21 (C) ensure adequate consultation with the
22 State Advisory Council on Early Childhood
23 Education and Care designated or established
24 in section 642B(b)(1)(A)(i) of the Head Start
25 Act (42 U.S.C. 9837b(b)(1)(A)(i)) in the devel-

1 opment of its plan, including consultation in
2 how the State intends to distribute slots under
3 subparagraph (E);

4 (D) partner with Head Start agencies to
5 ensure the full utilization of Head Start pro-
6 grams within the State; and

7 (E) distribute new preschool slots and re-
8 sources equitably among child care (including
9 family child care) providers, Head Start agen-
10 cies, and schools within the State.

11 (5) A certification that the State, in operating
12 the program described in this section for a fiscal
13 year—

14 (A) will not reduce the total preschool slots
15 provided in State-funded preschool programs
16 from the number of such slots in the previous
17 fiscal year; or

18 (B) if the number of eligible children iden-
19 tified in the State declines from the previous
20 fiscal year, will maintain at least the previous
21 year's ratio of the total preschool slots de-
22 scribed in subparagraph (A) to eligible children
23 so identified.

24 (6) An assurance that the State will use fund-
25 ing provided under this section to ensure children

1 with disabilities have access to and participate in in-
2 clusive preschool programs consistent with provisions
3 in the Individuals with Disabilities Education Act
4 (20 U.S.C. 1400 et seq.), and a description of how
5 the State will collaborate with entities carrying out
6 programs under section 619 or part C of the Indi-
7 viduals with Disabilities Education Act (20 U.S.C.
8 1419, 1431 et seq.), to support inclusive preschool
9 programs.

10 (7) An assurance that the State will provide as-
11 sistance under this section only to eligible providers
12 that prohibit the use of suspension, expulsion, and
13 aversive behavioral interventions in the State pre-
14 school program described in this section.

15 (8) An assurance that the State will coordinate
16 services provided under this title with services and
17 supports provided under the Child Care and Devel-
18 opment Block Grant Act of 1990 (42 U.S.C. 9857
19 et seq.), section 619 and part C of the Individuals
20 with Disabilities Education Act (20 U.S.C. 1419,
21 1431 et seq.), the Head Start Act (42 U.S.C. 9831
22 et seq.), the Preschool Development Grants program
23 under section 9212 of the Every Student Succeeds
24 Act (Public Law 114–95), the Elementary and Sec-
25 ondary Education Act of 1965 (20 U.S.C. 6301 et

1 seq.), the McKinney-Vento Homeless Assistance Act
2 (42 U.S.C. 11301 et seq.), and the maternal, infant,
3 and early childhood home visiting programs under
4 section 511 of the Social Security Act (42 U.S.C.
5 711).

6 (9) A certification that the State will support
7 the continuous quality improvement of programs
8 providing preschool services under this title, includ-
9 ing support through technical assistance, moni-
10 toring, and research.

11 (10) A certification that the State will ensure a
12 highly qualified early childhood workforce to support
13 the requirements of this title.

14 (11) An assurance that the State will meet the
15 requirements of clauses (ii) and (iii) of section
16 658E(c)(2)(T) of the Child Care and Development
17 Block Grant Act of 1990 (42 U.S.C.
18 9858e(c)(2)(T)), with respect to funding and assess-
19 ments under this title.

20 (12) A certification that subgrant and contract
21 amounts provided as described in section 304 will be
22 sufficient to enable eligible providers to meet the re-
23 quirements of this title, and will provide for in-
24 creased payment amounts based on the criteria de-
25 scribed in clauses (iv) and (v) of paragraph (2)(B).

1 (13) An agreement to provide to the Secretary
2 such periodic reports, providing a detailed account-
3 ing of the uses of funding received under this sec-
4 tion, as the Secretary may require for the adminis-
5 tration of this section.

6 (f) DURATION OF THE PLAN.—Each State plan shall
7 remain in effect for a period of not more than 3 years.
8 Amendments to the State plan shall remain in effect for
9 the duration of the plan.

10 **SEC. 304. SUBGRANTS AND CONTRACTS FOR LOCAL PRE-**
11 **SCHOOL PROGRAMS.**

12 (a) SUBGRANTS AND CONTRACTS.—

13 (1) IN GENERAL.—A State that receives a pay-
14 ment under section 303(b) for a fiscal year shall use
15 amounts provided through the payment to pay the
16 costs of subgrants to, or contracts with, eligible pro-
17 viders to operate universal, high-quality, free, and
18 inclusive preschool programs (which State-funded
19 programs may be referred to in this section as “local
20 preschool programs”) through the State preschool
21 program in accordance with subsection (c). A State
22 shall reduce or increase the amounts provided under
23 such subgrants or contracts if needed to adjust for
24 any overpayment or underpayment described in sec-
25 tion 303(b)(4).

1 (2) AMOUNT.—A State shall award a subgrant
2 or contract under this section in a sufficient amount
3 to enable the eligible provider to operate a local pre-
4 school program that meets the requirements of sec-
5 tion 303(e)(2), which amount shall reflect variations
6 in the cost of preschool services by geographic area,
7 type of provider, and age of child, and the additional
8 costs associated with providing inclusive preschool
9 services for children with disabilities.

10 (3) DURATION.—The State shall award a
11 subgrant or contract under this section for a period
12 of not less than 3 years, unless the subgrant or con-
13 tract is terminated or suspended, or the subgrant
14 period is reduced, for cause.

15 (b) ENHANCED PAYMENTS FOR COMPREHENSIVE
16 SERVICES.—In awarding subgrants or contracts under
17 this subsection and in addition to meeting the require-
18 ments of subsection (a)(2), the State shall award sub-
19 grants or contracts with enhanced payments to eligible
20 providers that offer local preschool programs funded under
21 this section to a high percentage of low-income children
22 to support comprehensive services.

23 (c) ESTABLISHING AND EXPANDING UNIVERSAL
24 PRESCHOOL PROGRAMS.—

1 (1) ESTABLISHING AND EXPANDING UNIVERSAL
2 PRESCHOOL PROGRAMS IN HIGH-NEED COMMU-
3 NITIES.—In awarding subgrants or contracts under
4 this section, the State shall first prioritize estab-
5 lishing and expanding universal local preschool pro-
6 grams within and across high-need communities by
7 awarding subgrants or contracts to eligible providers
8 operating within and across, or with capacity to op-
9 erate within and across, such high-need commu-
10 nities. The State shall—

11 (A) use a research-based methodology ap-
12 proved by the Secretary to identify such high-
13 need communities, as determined by—

14 (i) the rate of poverty in the commu-
15 nity;

16 (ii) rates of access to high-quality pre-
17 school within the community; and

18 (iii) other indicators of community
19 need as required by the Secretary; and

20 (B) distribute funding for preschool serv-
21 ices under this section within such a high-need
22 community so that a majority of children in the
23 community are offered such preschool services
24 before the State establishes and expands pre-

1 school services in communities with lower levels
2 of need.

3 (2) USE OF FUNDS.—Subgrants or contracts
4 awarded under paragraph (1) shall be used to enroll
5 and serve children in such a local preschool program
6 involved, including by paying the costs—

7 (A) of personnel (including classroom and
8 administrative personnel), including compensa-
9 tion (including benefits);

10 (B) associated with implementing the
11 State’s preschool standards, providing cur-
12 riculum supports, and meeting early learning
13 and development standards;

14 (C) of professional development, teacher
15 supports, and training;

16 (D) of implementing and meeting develop-
17 mentally appropriate health and safety stand-
18 ards (including licensure, where applicable),
19 teacher to child ratios, and group size maxi-
20 mums;

21 (E) of materials, equipment, and supplies;
22 and

23 (F) of rent or a mortgage, utilities, build-
24 ing security, indoor and outdoor maintenance,
25 and insurance.

1 (d) ESTABLISHING AND EXPANDING UNIVERSAL
2 PRESCHOOL PROGRAMS IN ADDITIONAL COMMUNITIES.—
3 Once a State that receives a payment under section 303(b)
4 meets the requirements of subsection (c) with respect to
5 establishing and expanding local preschool programs with-
6 in and across high-need communities, the State shall use
7 funds from such payment to enroll and serve children in
8 local preschool programs, as described in such subsection,
9 in additional communities in accordance with the metrics
10 described in subsection (c)(1)(A). Such funds shall be used
11 for the activities described in subparagraphs (A) through
12 (F) of subsection (c)(2).

13 **SEC. 305. PAYMENTS FOR UNIVERSAL PRESCHOOL SERV-**
14 **ICES TO INDIAN TRIBES AND TERRITORIES.**

15 (a) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

16 (1) IN GENERAL.—For each of fiscal years
17 2026 through 2031, from the amount appropriated
18 for Indian Tribes and Tribal organizations under
19 section 302(b)(1), the Secretary shall make pay-
20 ments to Indian Tribes and Tribal organizations
21 with an application approved under paragraph (2),
22 and the Tribes and Tribal organizations shall be en-
23 titled to such payments for the purpose of carrying
24 out the preschool program described in this title,
25 consistent, to the extent practicable as determined

1 by the Secretary, with the requirements applicable to
2 States.

3 (2) APPLICATIONS.—An Indian Tribe or Tribal
4 organization seeking a payment under this sub-
5 section shall submit an application to the Secretary
6 at such time, in such manner, and containing such
7 information as the Secretary may specify.

8 (b) TERRITORIES.—

9 (1) IN GENERAL.—For each of fiscal years
10 2026 through 2031, from the amount appropriated
11 for territories under section 302(b)(2), the Secretary
12 shall make payments to the territories with an appli-
13 cation approved under paragraph (2), and the terri-
14 tories shall be entitled to such payments, for the
15 purpose of carrying out the preschool program de-
16 scribed in this title, consistent, to the extent prac-
17 ticable as determined by the Secretary, with the re-
18 quirements applicable to States.

19 (2) APPLICATIONS.—A territory seeking a pay-
20 ment under this subsection shall submit an applica-
21 tion to the Secretary at such time, in such manner,
22 and containing such information as the Secretary
23 may specify.

24 (c) LEAD AGENCY.—The head of an Indian Tribe or
25 territory desiring for the Indian Tribe or a related Tribal

1 organization, or territory, to receive a payment under this
2 section shall designate a lead agency (such as a tribal or
3 territorial agency or joint interagency office) for the ad-
4 ministration of the preschool program of the Indian Tribe
5 or territory, under this section.

6 **SEC. 306. GRANTS TO LOCALITIES AND HEAD START EX-**
7 **PANSION IN NONPARTICIPATING STATES.**

8 (a) **ELIGIBLE LOCALITY DEFINED.**—In this section,
9 the term “eligible locality” means a city, county, or other
10 unit of general local government, a local educational agen-
11 cy, or a Head Start agency.

12 (b) **GRANTS TO LOCALITIES.**—

13 (1) **IN GENERAL.**—The Secretary, in consulta-
14 tion with the Secretary of Education, shall use funds
15 reserved in section 302(b)(5) to award local uni-
16 versal preschool grants, as determined by the Sec-
17 retary of Health and Human Services, to eligible lo-
18 calities located in States that have not received pay-
19 ments under section 303. The Secretary shall award
20 the grants to eligible localities in a State from the
21 allotment made for that State under paragraph (2).
22 The Secretary shall specify the requirements for an
23 eligible locality to conduct a preschool program
24 under this section which shall, to the greatest extent
25 practicable, be consistent with the requirements ap-

1 plicable to States under this title, for a universal,
2 high-quality, free, and inclusive preschool program.

3 (2) ALLOTMENTS.—For each State described in
4 paragraph (1), the Secretary shall allot for the State
5 for a fiscal year an amount that bears the same rela-
6 tionship to the funds appropriated under section
7 302(b)(5) for the fiscal year as the number of chil-
8 dren from families with family incomes at or below
9 200 percent of the poverty line, and who are under
10 the age of 6, in the State bears to the total number
11 of all such children in all States described in para-
12 graph (1).

13 (3) APPLICATION.—To receive a grant from the
14 corresponding State allotment under this section, an
15 eligible locality shall submit an application to the
16 Secretary at such time, in such manner, and con-
17 taining such information as the Secretary may re-
18 quire. The requirements for the application shall, to
19 the greatest extent practicable, be consistent with
20 the State plan requirements applicable to States
21 under this title.

22 (c) HEAD START EXPANSION IN NONPARTICIPATING
23 STATES.—

24 (1) IN GENERAL.—The Secretary shall use
25 funds appropriated under section 302(b)(5), to make

1 awards to Head Start agencies in a State described
2 in subsection (b)(1) to carry out the purposes of the
3 Head Start Act (42 U.S.C. 9831 et seq.) in such
4 State.

5 (2) RULE.—For purposes of carrying out the
6 Head Start Act in circumstances not involving
7 awards under this subsection, funds awarded under
8 paragraph (1) shall not be included in the calcula-
9 tion of a “base grant” as such term is defined in
10 section 640(a)(7)(A) of the Head Start Act (42
11 U.S.C. 9835(a)(7)(A)).

12 (3) DEFINITION.—In this subsection, the term
13 “Head Start agency” means an entity designated or
14 eligible to be designated as a Head Start agency
15 under section 641(a)(1) of the Head Start Act (42
16 U.S.C. 9836(a)(1)) or as an Early Head Start agen-
17 cy (by receiving a grant) under section 645A(a) of
18 such Act (42 U.S.C. 9840a(a)).

19 (d) PRIORITY FOR SERVING UNDERSERVED COMMU-
20 NITIES.—In making determinations to award a grant or
21 make an award under this section, the Secretary shall give
22 priority to entities serving communities with a high per-
23 centage of children from families with family incomes at
24 or below 200 percent of the poverty line.

1 **SEC. 307. ALLOWABLE SOURCES OF NON-FEDERAL SHARE.**

2 For purposes of calculating the amount of the non-
3 Federal share, as determined under section 303(b)(3), re-
4 lating to a payment under section 303(b), a State's non-
5 Federal share—

6 (1) may be in cash or in kind, fairly evaluated,
7 including facilities or property, equipment, or serv-
8 ices;

9 (2) shall include any increase in amounts spent
10 by the State to expand half-day kindergarten pro-
11 grams in the State, as of the day before the date of
12 enactment of this Act, into full day kindergarten
13 programs;

14 (3) shall not include contributions being used as
15 a non-Federal share or match for another Federal
16 award;

17 (4) shall be provided from State or local
18 sources, contributions from philanthropy or other
19 private organizations, or a combination of such
20 sources and contributions; and

21 (5) shall count not more than 100 percent of
22 the State's current spending on prekindergarten pro-
23 grams, calculated as the average amount of such
24 spending by the State for fiscal years 2023, 2024,
25 and 2025, toward the State's non-Federal share.

1 **SEC. 308. MAINTENANCE OF EFFORT.**

2 (a) IN GENERAL.—If a State reduces its combined
3 fiscal effort per child for the State preschool program
4 (whether a publicly funded preschool program or a pro-
5 gram under this title) or through State supplemental as-
6 sistance funds for Head Start programs assisted under the
7 Head Start Act, or through any State spending on early
8 childhood programs or preschool services for any fiscal
9 year that a State receives payments under section 303(b)
10 (referred to in this paragraph as the “reduction fiscal
11 year”) relative to the previous fiscal year, the Secretary,
12 in collaboration with the Secretary of Education, shall re-
13 duce support for such State under such subsection by the
14 same amount as the total reduction in that State fiscal
15 effort for such reduction fiscal year.

16 (b) WAIVER.—The Secretary, in collaboration with
17 the Secretary of Education, may waive the requirements
18 of subsection (a) if—

19 (1) the Secretaries determine that a waiver
20 would be appropriate due to a precipitous decline in
21 the financial resources of a State as a result of un-
22 foreseen economic hardship, or a natural disaster,
23 that has necessitated across-the-board reductions in
24 State services during the 5-year period preceding the
25 date of the determination, including for early child-
26 hood education programs; or

1 (2) due to the circumstance of a State requiring
2 reductions in specific programs, including early
3 childhood education programs, the State presents to
4 the Secretaries a justification and demonstration
5 why other programs could not be reduced and how
6 early childhood education programs in the State will
7 not be disproportionately harmed by such State re-
8 ductions.

9 **SEC. 309. SUPPLEMENT NOT SUPPLANT.**

10 Funds received under this title shall be used to sup-
11 plement and not supplant other Federal, State, and local
12 public funds expended on prekindergarten programs in the
13 State on the date of enactment of this Act, calculated as
14 the average amount of such Federal, State, and local pub-
15 lic funds expended for fiscal years 2023, 2024, and 2025.

16 **SEC. 310. NONDISCRIMINATION PROVISIONS.**

17 The following provisions of law shall apply to any pro-
18 gram or activity that receives funds provided under this
19 title:

20 (1) Title IX of the Education Amendments of
21 1972 (20 U.S.C. 1681 et seq.).

22 (2) Title VI of the Civil Rights Act of 1964 (42
23 U.S.C. 2000d et seq.).

24 (3) Section 504 of the Rehabilitation Act of
25 1973 (29 U.S.C. 794).

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

3 **SEC. 311. MONITORING AND ENFORCEMENT.**

4 (a) REVIEW OF COMPLIANCE WITH REQUIREMENTS
5 AND STATE PLAN.—The Secretary shall review and mon-
6 itor compliance of States, territories, Tribal entities, and
7 local entities with this title and State compliance with the
8 State plan described in section 303(e), including a process
9 for progress updates on the requirements described in sec-
10 tion 303(e)(1).

11 (b) ISSUANCE OF RULE.—The Secretary shall estab-
12 lish by rule procedures for—

13 (1) receiving, processing, and determining the
14 validity of complaints or findings concerning any
15 failure of a State to comply with the State plan or
16 any other requirement of this title;

17 (2) notifying a State when the Secretary has
18 determined there has been a failure by the State to
19 comply with a requirement of this title; and

20 (3) imposing sanctions under this section for
21 such a failure.

22 **SEC. 312. REPORTING.**

23 (a) IN GENERAL.—Each State that receives a pay-
24 ment under section 303 shall prepare an annual report,
25 in such manner and containing such information as the

1 Secretary of Health and Human Services may reasonably
2 require.

3 (b) CONTENTS.—A report prepared under subpara-
4 graph (a) shall contain, at a minimum—

5 (1) a description of the manner in which the
6 State has used the funds made available through the
7 payment and a report of the expenditures made with
8 the funds;

9 (2) a summary of the State's progress toward
10 providing access to high-quality preschool programs
11 for eligible children;

12 (3) the number and percentage of children in
13 the State participating in eligible preschool pro-
14 grams, disaggregated by race, ethnicity, family in-
15 come, child age, disability, and whether the children
16 are homeless children, children in foster care, or
17 dual language learners;

18 (4) data on the number and percentage of chil-
19 dren in the State participating in public kinder-
20 garten programs, disaggregated by race, family in-
21 come, child age, disability, and whether the children
22 are homeless children, children in foster care, or
23 dual language learners, with information on whether
24 such programs are offered—

25 (A) for a full day; and

1 (B) at no cost to families;

2 (5) data on the kindergarten readiness of chil-
3 dren across the State;

4 (6) data on recruitment and retention of early
5 childhood staff disaggregated by provider type, and
6 age of children served; and

7 (7) data regarding coordination efforts with
8 other child care and early childhood education pro-
9 grams, including those funded under the Head Start
10 Act (42 U.S.C. 9831 et seq.).

11 **TITLE IV—HEAD START**
12 **EXTENDED DURATION**

13 **SEC. 401. EXTENDED DURATION.**

14 (a) IN GENERAL.—The Head Start Act (42 U.S.C.
15 9801 et seq.) is amended—

16 (1) by redesignating section 657C (42 U.S.C.
17 9852c) as section 657D; and

18 (2) by inserting after section 657B (42 U.S.C.
19 9852b) the following:

20 **“SEC. 657C. EXTENDED DURATION.**

21 “(a) IN GENERAL.—The Secretary shall make grants
22 to Head Start agencies (including Early Head Start agen-
23 cies) funded under this subchapter to enable such agen-
24 cies—

1 “(1) to provide access to a full school year and
2 a full school day of services;

“(2) in the case of a migrant and seasonal
Head Start agency, to provide access to additional
service hours to ensure continuous Head Start serv-
ices as determined by the Secretary; or

“(3) in the case of a Head Start agency (including an Early Head Start agency) that already meets the full-day, full-year services needs within its community, to enhance the quality of Head Start services (including Early Head Start services) provided to children served by such agency.

13 “(b) APPLICATION.—

“(1) IN GENERAL.—To be eligible to receive a grant under this section, a Head Start agency shall submit an application at such time and in such manner as the Secretary may require. Such application shall include—

19 “(A) evidence of—

20 “(i) the number and percentage of
21 slots—

22 “(I) in the agency’s Head Start
23 center-based programs (that are not
24 Early Head Start programs)—

1 “(aa) that are currently
2 funded (as of the date of submis-
3 sion of the application); and

4 “(bb) in which services are
5 provided for at least the equiva-
6 lent of 1,020 hours per year; and

7 “(II) in the agency’s Early Head
8 Start center-based programs—

9 “(aa) that are currently
10 funded (as of that date); and

11 “(bb) in which services are
12 provided for at least the equiva-
13 lent of 1,380 hours per year; and

14 “(ii) the number and percentage of
15 slots, in the agency’s Head Start family
16 child care programs—

17 “(I) that are currently funded
18 (as of that date); and

19 “(II) in which services are pro-
20 vided for at least the equivalent of
21 1380 hours per year;

22 “(B) a description of an approach, using
23 the current community-wide strategic planning
24 and needs assessment described in section
25 640(g)(1)(C) and current program schedule

1 (current as of the date of submission of the ap-
2 plication), that transitions all of the agency's
3 Head Start programs to a full school day, full
4 school year program schedule; and

5 “(C) a budget justification that estimates
6 the supplemental funding necessary to provide
7 for incremental ongoing operating costs for the
8 extended hours of service under such a program
9 schedule for the current enrollment in the agen-
10 cy's Head Start programs.

11 “(2) EXCEPTIONS.—

12 “(A) MIGRANT AND SEASONAL HEAD
13 START.—

14 “(i) IN GENERAL.—A migrant and
15 seasonal Head Start agency may apply for
16 a grant described in subsection (a) without
17 meeting the requirements specified in para-
18 graph (1) to ensure continuous Head Start
19 services are provided to children enrolled in
20 a migrant and seasonal Head Start pro-
21 gram. To be eligible to receive the grant,
22 the agency shall submit an application at
23 such time and in such manner as the Sec-
24 retary may require.

1 “(ii) PRIORITY.—In making grants to
2 applicants described in clause (i), the Sec-
3 retary shall give priority to a migrant and
4 seasonal Head Start agency operating for
5 fewer than 8 months per year.

6 “(B) FULL-DAY, FULL-YEAR HEAD START
7 AGENCIES.—

8 “(i) IN GENERAL.—A Head Start
9 agency (including an Early Head Start
10 agency) that certifies to the Secretary that
11 it is meeting the full-day, full-year need
12 within its community may apply for a
13 grant to enhance the quality of services
14 provided to children enrolled in its Head
15 Start program (including its Early Head
16 Start program) in accordance with sub-
17 section (c)(2).

18 “(ii) APPLICATION.—A Head Start
19 agency (including Early Head Start agen-
20 cy) that meets the requirements of clause
21 (i) shall submit an application, which shall
22 include—

23 “(I) the proposed uses of funds
24 in accordance with subsection (c)(2);
25 and

1 “(II) how such uses of funds re-
2 late to the community-wide strategic
3 planning and needs assessment de-
4 scribed under section 640(g)(1)(C).

5 “(c) USE OF FUNDS.—

6 “(1) EXTENDED DURATION.—A Head Start
7 agency that meets the requirements of paragraph
8 (1) or (2) of subsection (a) receiving a grant under
9 this section shall use the grant funds to cover the
10 costs associated with extending those hours of serv-
11 ice for the current enrollment, such as additional
12 costs for—

13 “(A) the purchase, rental, renovation, and
14 maintenance of additional facilities;

15 “(B) ongoing purchases of classroom sup-
16 plies;

17 “(C) staff providing services during the ex-
18 tended hours; and

19 “(D) professional development to staff
20 transitioning to providing services during the
21 extended hours.

22 “(2) ENHANCING PROGRAM QUALITY.—A Head
23 Start agency (including an Early Head Start agen-
24 cy) that meets the requirements of subsection (a)(3)

1 shall use funds for the activities authorized under
2 section 640(a)(5)(B).

3 “(3) EXCEPTION.—The Head Start agency
4 shall not use the grant funds to expand the number
5 of children served in the Head Start program (in-
6 cluding the Early Head Start program) of the agen-
7 cy.

8 “(d) RESERVATIONS.—

9 “(1) ACTIVITIES.—From the total amount ap-
10 propriated to carry out this section, the Secretary
11 shall—

12 “(A) for making grants for the activities
13 described in subsection (c)(1)(A), reserve
14 \$4,000,000,000 of the funds appropriated for
15 fiscal year 2026; and

16 “(B) for making grants for the activities
17 described in any of subparagraphs (B) through
18 (D) of subsection (c)(1), reserve—

19 “(i) \$833,000,000 of the funds appro-
20 priated for fiscal year 2026;

21 “(ii) \$852,000,000 of the funds ap-
22 propriated for fiscal year 2027; and

23 “(iii) \$872,000,000 of the funds ap-
24 propriated for fiscal year 2028.

1 “(2) PRIORITY.—The Secretary shall prioritize
2 Head Start agencies (including Early Head Start
3 agencies) that are applying to use funds to carry out
4 the activities described in subsection (a)(1).

5 “(3) MIGRANT OR SEASONAL HEAD START PRO-
6 GRAMS.—From the amount appropriated to carry
7 out this section for a fiscal year and reserved under
8 paragraph (1)(B), the Secretary shall reserve 4.5
9 percent for migrant or seasonal Head Start pro-
10 grams.

11 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this sec-
13 tion—

14 “(1) \$4,833,000,000 for fiscal year 2026;

15 “(2) \$852,000,000 for fiscal year 2027; and

16 “(3) \$872,000,000 for fiscal year 2028.

17 “(f) DEFINITIONS.—In this section:

18 “(1) FULL SCHOOL DAY; FULL SCHOOL
19 YEAR.—The terms ‘full school day’ and ‘full school
20 year’ mean such a day and year, respectively, within
21 the meaning of the Head Start Program Perform-
22 ance standards issued under section 641A(a).

23 “(2) MIGRANT AND SEASONAL HEAD START
24 AGENCY.—The term ‘migrant and seasonal Head
25 Start agency’ means an agency that is funded under

1 this subchapter to provide a migrant and seasonal
2 Head Start program.”.

3 (b) CONFORMING AMENDMENTS.—Section 640 of the
4 Head Start Act (42 U.S.C. 9835) is amended—

5 (1) in subsection (a)(6), by striking “appro-
6 priated under this subchapter” each place it appears
7 and inserting “appropriated under section 639”; and

8 (2) in subsection (g)(3)(A)—

9 (A) by striking “amount appropriated”
10 each place it appears and inserting “amount
11 appropriated under section 639”;

12 (B) by striking “services provided under
13 this subchapter” and inserting “services pro-
14 vided under this subchapter (other than section
15 657C)”; and

16 (C) by striking “agency under this sub-
17 chapter” and inserting “agency under this sub-
18 chapter (other than section 657C)”.

19 **SEC. 402. APPROPRIATION FOR WAGES.**

20 (a) APPROPRIATION.—There is authorized to be ap-
21 propriated, and there is appropriated, out of any funds
22 in the Treasury not otherwise appropriated,
23 \$2,700,000,000 for fiscal year 2026 and each subsequent
24 fiscal year, to carry out subsection (b).

1 (b) USE OF FUNDS.—Using funds made available
2 under subsection (a), the Secretary of Health and Human
3 Services shall assist Head Start agencies (including Early
4 Head Start agencies) funded under the Head Start Act
5 (42 U.S.C. 9831 et seq.), to the extent needed to ensure
6 that their teachers and staff—

7 (1) receive wages that are comparable to wages
8 for elementary educators with similar credentials
9 and experience in the State; or

10 (2) at a minimum, receive a living wage.

11 (c) APPLICATION.—In carrying out subsection (b),
12 the Secretary shall apply the Head Start Act, except to
13 the extent that subsection (b) is inconsistent with that
14 Act.