
The Child Care Modernization Act of 2025

U.S. SENATOR DEB FISCHER

The Child Care and Development Block Grant (CCDBG) has been assisting working families with their child care needs for over 30 years; however, despite bipartisan support, it has not been reauthorized in over a decade. Fischer's Child Care Modernization Act of 2025 will reauthorize the CCDBG and increase America's working families' access to quality, affordable, child care services.

STRENGTHEN CHILD CARE SERVICES

CCDBG reimbursement rates paid to providers have historically not covered the cost of providing quality care, particularly the expenses associated with hiring and keeping skilled employees. Under the bill, States will move to using statistically valid and reliable cost estimation models for setting provider rates thus strengthening our system by compensating providers adequately for delivering high-quality care.

- States will review and adjust rates as necessary to ensure they reflect:
 - ◇ The cost of care, including fixed costs, operating expenses, and staff salaries and benefits necessary to recruit, train, and retain qualified staff.
 - ◇ Variations in costs across submarkets and children served, including geographic area, type of provider, age of child, care for children with disabilities or special needs, and quality of child care providers as determined by the State.

INCREASE THE SUPPLY OF CHILD CARE PROVIDERS AND IMPROVE FACILITIES

Too many working families live in child care deserts with access to few or no child care providers. The bill provides funding to States to:

- Expand the supply and capacity of child care providers so working parents have multiple quality child care options to best suit their family's needs.
- Ensure child care facilities are designed and equipped to keep children healthy and safe (facilities and supply funding is time limited and authorized as a separate program outside of the regular CCDBG program).

ENSURES QUALITY ACCESS FOR PARENTS

Enables working parents to choose child care services that best suit their family's needs. Allows States maximum flexibility in developing a mixed delivery system (centers, family child care homes, faith-based, nonprofit, for profit) of child care and preschool for children 0-5 and before-school, after-school, and summer care for school-age children.

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IMPROVES ACCESS FOR WORKING FAMILIES

Improves state's ability to serve more working families by allowing states to serve families above the current income eligibility limit of 85% State Median Income (SMI) through a waiver process. To ensure assistance first reaches lower income working families, States must demonstrate they are serving all eligible children below 85% SMI (the current income eligibility cutoff).

ASSIST IN-HOME AND RURAL CHILD CARE PROVIDERS

One million family child care homes provide care for 3 million children ages 0-5, the majority of which are woman-owned. In rural areas, family child care provides 40 percent of formal care for children ages 0-4. To better support in-home and rural providers, the bill:

- Improves technical assistance, including strategies to support core best business practices, and the development and use of shared services initiatives such as family child care home provider networks.

BROAD COMMUNITY INPUT IN STATE CHILD CARE PLAN DEVELOPMENT

Perspectives of parents, providers, and employers are essential in building a state child care system that meets the needs of working parents. Under the bill, States will develop plans in meaningful consultation with:

- Parents, including in rural areas, parents who need care in the evening or weekends, parents who have infants and toddlers or children with disabilities, and parents living in child care deserts.
- Providers from various geographic areas and types from across the State.
- Employers of various sizes and hours and days of operations whose employees rely on reliable and accessible child care to work.

STREAMLINE REGULATORY REQUIREMENTS FOR CHILD CARE PROVIDERS

Child care providers are overwhelmed by duplicative or, conflicting regulations. Under the bill:

- States must review their State and local health and safety requirements to determine redundancies and oversights that may exist to ensure: (1) child care services are in healthy and safe environments; and (2) child care providers can easily identify, understand, and comply with necessary health and safety requirements.
- Directs the Department of Agriculture to remove regulatory burdens that restrict the presence of home-based child care providers in rural areas.