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

IN THE SENATE OF THE UNITED STATES

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

A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Child Care and Development Block Grant Reauthorization Act of 2024”.

SEC. 2. PURPOSES.

(a) REDESIGNATION.—Section 658A of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857) is redesignated as section 658 of such Act.
(b) AMENDMENT.—Subsection (b) of that section 658 is amended to read as follows:

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

“(1) to allow each State maximum flexibility in developing and implementing a mixed delivery system to provide child care that best suits the needs of children and working parents within that State;

“(2) to promote parental choice to empower working parents to make their own decisions regarding the child care services that best suit their family’s needs;

“(3) to encourage States to provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings;

“(4) to assist States in delivering high-quality, coordinated child care services to maximize parents’ options to cover the full workday and full work year, to support continuity of care for children, and to support parents trying to achieve independence from public assistance;
“(5) to assist States in improving the overall quality of child care by implementing the health, safety, licensing, early learning and development, professional, and oversight standards established in this subchapter and in State law (including State regulations);

“(6) to assist States—

“(A) in supporting the education and professional development of child care staff; and

“(B) in supporting child care providers in the recruitment of, professional development for, and retention of a qualified child care workforce; and

“(7) to increase the number and percentage of low-income children in high-quality child care settings.”.

SEC. 3. DEFINITIONS.

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

(1) by redesignating paragraphs (5) through (7), (8) and (9), and (10) through (15), as paragraphs (6) through (8), (10) and (11), and (13) through (18), respectively;

(2) in paragraph (3)—
(A) in subparagraph (B), by inserting “and” at the end;
(B) in subparagraph (C), by striking “; and” at the end and inserting a period; and
(C) by striking subparagraph (D);
(3) by striking paragraph (4) and inserting the following:
“(4) ELIGIBLE ACTIVITY.—The term ‘eligible activity’, means an activity consisting of—
“(A) full-time or part-time employment;
“(B) self-employment;
“(C) job search activities;
“(D) job training;
“(E) secondary, postsecondary, or adult education, including education through a program of high school classes, a course of study at an institution of higher education, classes towards an equivalent of a high school diploma recognized by State law, or English as a second language classes;
“(F) health treatment (including mental health and substance use treatment) for a condition that prevents the parent involved from participating in other eligible activities;
“(G) activities to prevent child abuse or neglect, or family violence prevention or inter-
vention activities;

“(H) employment and training activities
under the employment and training program, of
the supplemental nutrition assistance program,
established under section 6(d)(4) of the Food

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

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

“(5) ELIGIBLE CHILD.—The term ‘eligible
child’ means an individual—
“(A) who is less than 13 years of age;
“(B)(i) whose family income does not exceed—
“(I) 85 percent of the State median income for a family of the same size; or
“(II) a higher percentage of that income in a State with a waiver under section 658I(c)(1)(B); and
“(ii) whose family assets do not exceed $1,000,000 (as certified by a member of such family); and
“(C) who—
“(i) resides with a parent or parents who are participating in an eligible activity;
“(ii) is a child experiencing homelessness, a child in kinship care, or a child who is receiving, or needs to receive, child protective services; or
“(iii) resides with a parent who is more than 65 years of age.”;
(4) in paragraph (7), as so redesignated—
(A) in subparagraph (A), by striking “or” at the end;
(B) in subparagraph (B)—
(i) by inserting “the child (if the spouse of such provider is engaged in an eligible activity),” after “decrees,”; and

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

(C) by added at the end the following:

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

(5) by striking paragraph (8), as so redesignated, and inserting the following:

“(8) FAMILY CHILD CARE PROVIDER.—The term ‘family child care provider’ means an individual who provides child care services in a private residence—

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

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

“(9) HOMELESS CHILD.—The term ‘homeless child’ means an individual described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)).”;
(6) in paragraph (10), as so redesignated, by striking “(10)” and all that follows through “meaning” and inserting the following:

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

(7) by inserting after paragraph (11), as so redesignated, the following:

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

“(A) promotes parental choice to empower working parents to make their own decisions regarding the child care services that best suit their family’s needs;

“(B) delivers services through a combination of programs offered by eligible child care providers (including faith-based and community-based child care providers) in a variety of settings (including family child care homes, child care centers, Head Start centers, and public and private schools); and

“(C) is supported with a combination of public and private funds.”;
(8) in paragraph (15), as so redesignated, by striking “unless the context specifies otherwise” and inserting “except as otherwise specified”; and

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

“(18) TRIBAL ORGANIZATION; TRIBAL ORGANIZATION.—

“(A) IN GENERAL.—The term ‘Tribal organization’ or ‘tribal organization’ has the meaning’.

(b) REDesignATION.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.) is amended—

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

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

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) Part.—The Child Care and Development Block Grant Act of 1990 is amended by inserting before section 658B the following:
“PART I—CHILD CARE SERVICES”.

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

“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subchapter (other than section 658T) such sums as may be necessary for each of fiscal years 2025 through 2029.”.

SEC. 5. LEAD AGENCY.

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

“(2) DEVELOPMENT OF PLAN.—The lead agency shall develop the State plan described in paragraph (1)(B) in meaningful consultation with—

“(A) parents of children eligible for services under this subchapter, which shall include parents of children in a priority population described in section 658E(c)(2)(M);

“(B) eligible child care providers that represent the various geographic areas and types of providers in the State;

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

“(D) appropriate representatives of units of general purpose local government and, as appropriate, of Indian Tribes and Tribal organizations.”

SEC. 6. APPLICATION AND PLAN.

Section 658E(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e(e)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)(i)(I), by striking “a child” and inserting “an eligible child”; (B) in subparagraph (D), by striking “, not later” and all that follows through “subparagraph (K)(i),”;

(C) in subparagraph (E)(i)—

(i) in the matter preceding subclause (I), by inserting “, offered through a mixed delivery system,” after “full diversity of child care services”; (ii) in subclause (I), by inserting “(including information on the hours and days of operation and ages served)” after “of child care services”; and
(iii) in subclause (IV)—

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

(II) by inserting before the semi-colon the following: “, and the Maternal, Infant, and Early Childhood Home Visiting Programs under section 511 of the Social Security Act (42 U.S.C. 711)”;

(D) in subparagraph (G)—

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

(ii) in clause (i) and clause (ii) (in the matter preceding subclause (I)), by striking “training and” before “professional development”;

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

(iv) in clause (iii), by striking “training” and inserting “professional development”;

(E) in subparagraph (I)(i)(IX), by striking “if applicable,”;
(F) in subparagraph (J)—

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

“(i) procedures”;

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

(iii) by adding at the end the following:

“(ii) the State will undertake a review of State and local health and safety requirements (including requirements for inspections under this subchapter and the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766)) to determine redundancies and oversights that may exist, to ensure—

“(I) children receive child care services in healthy and safe environments; and

“(II) child care providers can easily identify, understand, and comply with applicable health and safety requirements.”;

(G) in subparagraph (K)(i)—
(i) in the matter preceding subclause (I), by striking “, not later” and all that follows through “2014,”; and

(ii) in subclause (IV), by striking “section 658P(6)(B)” and inserting “section 658A(7)(B)”;

(H) in subparagraph (M)—

(i) by redesignating clauses (ii) through (iv) as clauses (iii) through (v), respectively;

(ii) by striking clause (i) and inserting the following:

“(i) children in underserved areas, including areas that have significant concentrations of poverty and unemployment and that do not have a supply of eligible child care providers;

“(ii) children in rural areas;”; and

(iii) in clause (iv), as so redesignated, by striking “, as defined by the State”;
(J) in subparagraph (O)(i), by striking “full-day services” and inserting “full workday and full work year services”;

(K) in subparagraph (S)(ii), by striking “, to the extent” and all that follows through “fixed costs” and inserting “implement enrollment and eligibility policies that support the fixed and operational costs”;

(L) in subparagraph (T)(i), by striking “or implement” and all that follows through “of 2014)” and inserting “and implement developmental guidelines”; and

(M) in subparagraph (U)—

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

(ii) in clause (iii)(II), by striking “following the emergency or disaster, which may include” and inserting “during and following the emergency or disaster, which shall include guidelines for the”; and

(N) in subparagraph (V), by striking “develop” and all that follow through “services.” and inserting “support child care business technical assistance including supporting—
“(i) provision of strategies to support management coaching and the use of core best business practices;

“(ii) development and use of shared services initiatives including initiatives involving provider networks such as child care center alliances and family child care provider networks; and

“(iii) coordination of activities with programs of the Small Business Administration, programs of the Department of Agriculture, and other Federal, State, and local programs supporting child care businesses.”;

(2) in paragraph (3)—

(A) in subparagraph (B)(ii), by striking “Not later” and all that follows through “shall prepare” and inserting “Not later than September 30 of each fiscal year, the Secretary shall prepare”; and

(B) in subparagraph (D)—

(i) by striking “with respect to” and all that follows through “2020” and inserting “with respect to each fiscal year);”; and
(ii) by striking “described in clause (i), (ii), (iii), or (iv) of” and inserting “in priority populations described in”; (3) in paragraph (4)—

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

“(A) IN GENERAL.—The State plan shall certify that, not later than the later of the date that is 5 years after the date of submission of the application, and September 30, 2030, payment rates for the provision of child care services for which assistance is provided in accordance with this subchapter—

“(i) will be sufficient to meet the cost of providing the child care services, including the fixed and operational costs of providing the child care services; and

“(ii) will be set and paid in accordance with a cost estimation model described in subparagraph (B).

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

“(i) demonstrate that the State, after consulting with eligible child care providers that represent the various geographic areas
of the State and types of providers within
the State’s mixed delivery system, local
child care program administrators, local
child care resource and referral agencies,
and other appropriate entities, has devel-
oped and uses (or if the State has not used
such a model certify that the State, after
such consultation but not later than the
later of the date that is 5 years after the
date of submission of the application de-
scribed in subsection (a), and September
30, 2030, will develop and use) a statis-
tically valid and reliable cost estimation
model for the payment rates for providers
of child care services in the State, that—

“(I) reflects the costs of service
delivery, including fixed costs, oper-
ating expenses, and staff salaries and
benefits necessary to recruit, train,
and retain qualified staff;

“(II) reflects variations in the
costs of service delivery by submarket,
type of provider, and children served,
including by—
“(aa) geographic area (such as location in a urban or rural area);

“(bb) ages of children;

“(cc) whether the children have particular needs (such as needs of children with disabilities and children served by child protective services);

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

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

“(III) is reviewed not less often than once every 2 years and adjusted as may be necessary to—

“(aa) ensure payment rates remain sufficient to meet the requirements of this subchapter; and

“(bb) provide a cost of living increase to maintain the level of
services provided during the year prior to the review; and

“(ii) describe how the State will provide for timely payments, set in accordance with the model described in clause (i), for child care services provided under this subchapter.”;

(B) in subparagraph (C)—

(i) by striking clause (ii); and

(ii) by striking “(C)” and all that follows through “Nothing” and inserting the following:

“(C) CONSTRUCTION.—Nothing”; and

(C) by adding at the end the following:

“(D) NO FEDERAL CONTROL.—The Secretary may offer guidance to States on cost estimation models described in subparagraph (B), but shall not require a State to adopt a particular cost estimation model or element of a particular cost estimation model.”; and

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

“(5) SLIDING FEE SCALE.—

“(A) IN GENERAL.—The State plan shall provide that the State will establish and peri-
odically revise by rule a sliding fee scale to de-
determine a full copayment for a family receiving
assistance under this subchapter (or, for a fam-
ily receiving part-time care, a reduced copay-
ment that is an appropriate amount of the full
copayment) and that is not a barrier that re-
stricts families from accessing child care serv-
ices under this subchapter.

“(B) NO FEDERAL CONTROL.—The Sec-
retary may offer guidance to States on sliding
fee scales described in subparagraph (A), but
shall not require a State to adopt a particular
sliding fee scale or element of a particular slid-
ing fee scale.”.

SEC. 7. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD
CARE.

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

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

(2) in paragraph (2)—
(A) by striking subparagraph (A) and inserting the following:

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

and

(B) in subparagraph (B), by striking “received not later” and all that follows through “succeeding full fiscal year” and inserting “received for each fiscal year”.

SEC. 8. WAIVERS OF INCOME REQUIREMENT.

Section 658I(e) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(e)) is amended—

(1) in paragraph (1)—

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

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

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

“(ii)”;

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

(E) in subparagraph (D)—

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

“(iv)”; and

(ii) in clause (iv), as so redesignated,

by striking the period and inserting “; or”;

and

(F) by adding at the end the following:

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

(2) in paragraph (2)—

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

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

(C) by adding at the end the following:

“(D) if the State seeks a waiver of section 658A(5)(B)(i)(I) under paragraph (1)(B), state the maximum income standard that the State wishes to use, information demonstrating that the State is serving all eligible children below the maximum income standard in that section,
information demonstrating that the State is meeting the requirements of the State plan under section 658E(c), particularly the requirements of subparagraphs (M) and (Q) of paragraph (2) of that section, and (effective on the later of the 2 dates specified in section 658E(c)(4)(A)) information demonstrating that the payment rates described in that section are set and paid in accordance with a cost estimation model described in section 658E(c)(4)(B).”; and

(3) in paragraph (7)—

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

“(A) GENERAL RENEWALS.—The Secretary may”;

(B) in the first sentence, by inserting before the period the following: “, in the case of a request for a waiver of a provision other than section 658A(5)(B)(i)(I)”;

(C) in the second sentence, by striking “seeking to renew their waiver approval must” and inserting “seeking that renewal shall”;
(D) in the third sentence, by striking “extension request” and inserting “renewal request”; and

(E) by adding at the end the following:

“(B) **Renewals of Income Requirement Waivers.**—A State may seek a renewal, of an existing waiver of section 658A(5)(B)(i)(I) under paragraph (1)(B) (including a previously renewed waiver), for a period no longer than 3 years. A State seeking that renewal shall inform the Secretary of this intent no later than 30 days prior to the expiration date of the waiver. The State shall re-certify in its renewal request the provisions in paragraph (2). On determining that the State has accurately re-certified those provision, the Secretary shall grant the renewal.”; and

(4) in paragraph (8), by inserting “, other than paragraph (1)(B),” after “this subchapter”.

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

Section 685K(a)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i(a)(2)) is amended—

(1) in the matter preceding subparagraph (A)—
(A) by striking “Not later than” and all that follows through “a State” and inserting “A State”; and

(B) by inserting “annually” before “prepare”;

(2) in subparagraph (A), by striking “section 658P(6)” and inserting “section 658A(7)”;

(3) in subparagraph (F), by striking “section 658P(6)(B)” and inserting “section 658A(7)(B)”.

SEC. 10. REPORTS, HOTLINE, AND WEBSITE.

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

SEC. 11. TECHNICAL AMENDMENTS.

Section 658O(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m(a)) is amended—

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

(2) in paragraph (5) by striking “this subchapter” the first place it appears and inserting “section 658B”.
SEC. 12. CHILD CARE SUPPLY AND FACILITIES GRANTS.

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

“PART II—CHILD CARE SUPPLY AND FACILITIES

“SEC. 658T. CHILD CARE SUPPLY AND FACILITIES GRANTS.

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

“(1) expand the supply and capacity of child care providers so that working parents have multiple high-quality child care options to choose from in making their own decisions regarding the child care services that best suit their family’s needs; and

“(2) ensure child care facilities are designed and equipped to keep children healthy and safe and to enhance children’s physical, cognitive, and behavioral development.

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

“(1) an eligible child care provider as defined in section 658A(7)(A) that is providing, or seeking to provide, child care services to children eligible for services under this subchapter; or
“(2) a child care provider that has applied under this subchapter to become an eligible child care provider as defined in section 658A(7)(A) and that commits to provide child care services to children eligible for services under this subchapter.

“(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2026 through 2028.

“(d) Grants Authorized; Allotments.—

“(1) In general.—From funds made available under subsection (e), the Secretary shall make grants to States, territories, Indian Tribes, and Tribal organizations to carry out the activities described in subsection (f).

“(2) Reservation.—The Secretary shall reserve not more than 1 percent of the amount appropriated under subsection (e) for a fiscal year to carry out this section to pay for the costs of the Federal administration of this section.

“(3) Allotments.—From the amount appropriated to carry out this section for a fiscal year that remains after the Secretary makes the reservation under paragraph (2), the Secretary shall award to each lead agency with an approved plan under
subsection (e), a child care supply and facilities
grant in accordance with paragraphs (1) and (2) of
subsection (a), and subsection (b), of section 658O,
for the grants authorized under paragraph (1). A
grant made under this paragraph in accordance with
paragraph (1) or (2) of that subsection shall be for
the purpose of carrying out the program described
in this section, consistent, to the extent practicable
as determined by the Secretary, with the require-
ments applicable to States.
“(e) STATE PLAN.—
“(1) IN GENERAL.—In order to receive a grant
under this section, a State shall submit a plan to the
Secretary, at such time and in such manner as the
Secretary may reasonably require.
“(2) CONTENTS.—Each plan submitted by a
State under this section shall include each of the fol-
lowing:
“(A) A description of how the State will
use funds received under this section for State-
level activities under subsection (f)(1).
“(B) A description of how the State will
ensure that qualified child care providers in
rural, suburban, and urban areas can readily
apply for and access funding under this section,
which shall include providing technical assistance either directly or through a third party which may include a resource and referral agency or a staffed family child care provider network.

“(C) A description of how the State will determine the prioritization of subgrants to qualified child care providers in accordance with subsection (f)(5).

“(D) An assurance that the State will make available to the public, which shall include, at a minimum, posting to an internet website of the lead agency—

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

“(ii) the criteria for awarding subgrants for qualified child care providers, including the methodology the lead agency will use to determine the amounts of such subgrants for qualified child care providers.

“(f) STATE USE OF FUNDS.—

“(1) RESERVATION.——A lead agency that receives a grant under subsection (d) shall reserve not
more than 10 percent of the grant funds for State-level activities, consisting of administering subgrants and providing technical assistance and support, for activities supported under this section.

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

“(3) STARTUP AND SUPPLY EXPANSION SUBGRANTS.—

“(A) IN GENERAL.—The lead agency shall make startup and supply expansion subgrants to qualified child care providers that are providing, or seeking to provide, child care services under this subchapter to eligible children, to—

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

“(ii) assist such providers in meeting—

“(I) the health and safety requirements (including the requirements referred to in section 658E(c)(2)(I)) of the State, territory, Indian Tribe, or local government involved, as the case may be;
“(II) licensing and other regulatory standards of the State, territory, Indian Tribe, or local government involved, as the case may be, for child care providers; and

“(III) as applicable, the requirements of a State’s tiered quality rating system for child care providers; and

“(iii) establishing or expanding the operation of community- or neighborhood-based family child care networks.

“(B) REQUIREMENT.—As a condition of receiving a startup or supply expansion subgrant under this paragraph, a qualified child care provider shall commit to meeting the requirements for an eligible child care provider under this subchapter and to providing child care services under this subchapter to eligible children, on an ongoing basis.

“(4) FACILITIES SUBGRANTS.—

“(A) IN GENERAL.—The lead agency shall make facilities subgrants to qualified child care providers that are providing, or seeking to provide, child care services under this subchapter
to eligible children, for, notwithstanding section 658F(b)—

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

“(ii) construction, permanent improvement, or major renovation of a building or facility used for providing direct child care services.

“(B) REQUIREMENT.—As a condition of receiving a facilities subgrant under this paragraph, a child care provider shall commit to meeting the requirements for an eligible child care provider under this subchapter and to providing child care services under this subchapter to eligible children on an ongoing basis.

“(C) FEDERAL INTEREST.—

“(i) FAMILY CHILD CARE HOMES.— Federal law regarding a Federal interest in real property shall not apply to the renovation, remodeling, repair, or permanent improvement of privately owned family child care homes with funds provided under this paragraph, and the Secretary shall develop
parameters for the use of such funds for
family child care homes.

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

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

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

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

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

“(2) Reports.—

“(A) Lead agency report.—A lead agency receiving a grant under subsection (d) shall, not later than 12 months after receiving such grant, submit a report to the Secretary that includes, for the State involved, a description of each lead agency program of subgrants carried out to meet the objectives of this section, including—

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

“(ii) the number of child care slots, in the capacity of eligible child care providers given applicable group size limits and staff-to-child ratios, that were open for attendance of children at the start of the
grant period and the number of such slots
11 months later, disaggregated by age of
children served, geographic region, and
child care setting (including whether the
slot was in a center-based or family child
care setting), and each priority population
of children described in section
658E(c)(2)(M);

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

“(II) the number and percentage of
qualified child care providers that received
a subgrant under subsection (f)(4),
disaggregated by age of children served,
geographic region, and child care setting
(including whether the provider was in a
center-based or family child care setting),
and the average and range of the amounts
of the subgrants awarded; and

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

“(B) REPORT TO CONGRESS.—The Sec-
retary shall transmit annually to the Committee
on Health, Education, Labor, and Pensions of
the Senate and the Committee on Education
and the Workforce of the House of Representa-
tives a report that provides national and State-
level data for the information collected under
subparagraph (A).

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

SEC. 13. DEPARTMENT OF AGRICULTURE LOAN RESTRICT-
IONS.

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