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

Mr. Scott of South Carolina (for himself, Mr. Burr, Ms. Murkowski, Ms. Collins, Mr. Sullivan, Mr. Sasse, Mr. Grassley, Mr. Young, and Mrs. Capito) 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.

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.

This Act may be cited as the “Child Care and Development Block Grant Reauthorization Act of 2022”.

4 SEC. 2. PURPOSES.

5 (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 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.”.

(c) Rule of Construction.—The term “child care” as used in this subchapter includes preschool, pre-kindergarten, and early childhood education for children birth to 5 and before school, after school, and summer care for school-age children.

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 (2) and (3),
(4) through (7), (8) and (9), and (10) through (15),
as paragraphs (3) and (4), (6) through (9), (11) and
(12), and (14) through (19), respectively;
(2) by inserting after paragraph (1) the fol-
lowing:
“(2) CHILD CARE.—The term ‘child care’ in-
cludes preschool, prekindergarten, and early child-
hood education for children from birth through age
5, and before school, after school, and summer care
for school-age children.”;
(3) in paragraph (4), as so redesignated—
(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);
(4) by striking paragraph (6), as so redesig-
nated, and inserting the following:
“(5) 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 intervention activities;

“(H) employment and training activities under the supplemental nutrition assistance program established under section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4));

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

“(J) a work activity described in subsection (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.); or

“(K) taking leave under the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.) (or equivalent provisions for Federal employees), a State or local paid or unpaid leave law, or a program of employer-provided leave.

“(6) ELIGIBLE CHILD.—The term ‘eligible child’ means an individual—

“(A) who is less than 13 years of age;

“(B)(i)(I) whose family income does not exceed 85 percent of the State median income for a family of the same size; or

“(II) in the case of a State that has determined it is necessary to serve additional children, after ensuring that all eligible children described in subclause (I) have had an appropriate opportunity to receive services under this subchapter, whose family income does not ex-
ceed a State limit that is not more than 150 percent of the State median income for a family of the same size; 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.”;

(5) in paragraph (8), 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.”;

(6) by striking paragraph (9), as so redesignated, and inserting the following:

“(9) 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.

“(10) 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)).”;  

(7) in paragraph (11), as so redesignated, by striking “(11)” and all that follows through “meaning” and inserting the following:

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

(8) by inserting after paragraph (12), as so redesignated, the following:
“(13) **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.”;

(9) in paragraph (16), as so redesignated, by striking “unless the context specifies otherwise” and inserting “except as otherwise specified”; and

(10) in paragraph (19), as so redesignated, by striking “(19)” and all that follows through “has the meaning” and inserting the following:

“(19) **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.

There is authorized to be appropriated to carry out this subchapter (other than section 658T) $6,165,330,000 for fiscal year 2022, and such sums as may be necessary for each of fiscal years 2023 through 2026.”.
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 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 of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—
(1) in subsection (b), by striking “3-year” and inserting “5-year”; and

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)(i)—

(I) in subclause (I), by striking “a child” and inserting “an eligible child”; and

(II) in subclause (II), by striking “section 658P(2)” and inserting “section 658A(3)”;

(ii) in subparagraph (D), by striking “, not later” and all that follows through “subparagraph (K)(i),”;

(iii) 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”;
(III) in subclause (II), by inserting before the semicolon the following: “or a national accrediting body with demonstrated, valid, and reliable program standards for high quality”; and

(IV) in subclause (IV)—

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

(bb) by inserting before the semicolon 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)”;

(iv) in subparagraph (G)—

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

(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”;

(v) in subparagraph (I)(i)—

(I) in subclause (VII)—

(aa) by striking “for emergencies” and inserting the following: “for—

“(aa) emergencies”;

(bb) by striking the semi-colon at the end and inserting “; and”

(cc) by adding at the end the following:

“(bb) a public health emergency declared by the Secretary pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d);”;

(II) in subclause (IX), by striking “if applicable,”;
(vi) 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.”;

(vii) in subparagraph (K)(i)—
(I) in the matter preceding sub-
clause (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(8)(B)”;
(viii) in subparagraph (M)—

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

(II) by striking clause (i) and in-
serting the following:
“(i) children in underserved areas, in-
cluding areas that have significant con-
centrations 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 redesig-
nated, by striking “, as defined by the
State”;
(I) in clauses (i)(I) and (iv), by striking “85 percent” and inserting “150 percent”; and

(II) in clause (iii), by striking “At the option of the State, the” and inserting “The”;

(x) in subparagraph (O)(i), by striking “full-day services” and inserting “full workday and full work year services”;

(xi) 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”;

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

(xiii) in subparagraph (U)—

(I) in clause (i)—

(aa) by striking “Governor or” and inserting “Governor,”; and
(bb) by inserting before the period the following: 

"or a public health emergency declared by the Secretary pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d)";

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

(III) 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";

(xiv) 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.”;

(B) in paragraph (3)—

(i) 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

(ii) 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 in-
serting “in priority populations described in”; (C) in paragraph (4)—

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

“(A) IN GENERAL.—The State plan shall certify, not later than October 1, 2024, that payment rates, for the provision of child care services for which assistance is provided in accordance with this subchapter, are sufficient to meet the cost of providing the child care services, including the fixed and operational costs of providing the child care services, and are 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, the State Advisory Council on Early Childhood Education and Care designated or established in section 642B(b)(1)(A)(i) of the Head Start Act (42 U.S.C. 9837b(b)(1)(A)(i)), local child care program administrators, local child care re-
source and referral agencies, and other appropriate entities, has developed and uses a statistically 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, operating 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.”;

(ii) 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

(iii) 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

(D) 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 periodically revise a sliding fee scale to determine a full copayment for a family receiving assistance under this subchapter (or, for a family receiving part-time care, a reduced copayment that is the proportionate amount of the full copayment) that shall be set in accordance with subparagraph (B) and that is not a barrier to
families receiving assistance under this sub-
chapter.

“(B) COPAYMENT.—

“(i) FULL COPAYMENT.—The State
shall ensure that the sliding fee scale re-
sults in a full copayment, toward the cost
of the child care involved for all eligible
children in the family for a family receiv-
ing assistance under the subchapter, that
shall be set, for a family with a family in-
come—

“(I) of not more than 75 percent
of the State median income for a fam-
ily of the same size, to be 0 percent
of that family income;

“(II) of more than 75 percent
but not more than 100 percent of the
State median income for a family of
the same size, to be more than 0 but
not more than 2 percent of that fam-
ily income;

“(III) of more than 100 percent
but not more than 125 percent of the
State median income for a family of
the same size, to be more than 2 but
not more than 4 percent of that family income; and

“(IV) of more than 125 percent but not more than 150 percent of the State median income for a family of the same size, to be more than 4 but not more than 7 percent of that family income.

“(ii) Reduced Copayment.—The State shall ensure that the sliding fee scale results in a reduced copayment toward the cost specified in clause (i), for a family receiving part-time care, that shall be the proportionate amount of the full copayment under clause (i).”.

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

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

(1) in subsection (a)(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

(B) in subparagraph (B)—

(i) by striking “received not later” and all that follows through “succeeding full fiscal year” and inserting “received for each fiscal year”; and

(ii) by striking “and subsection (b)(4)”;

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “(which shall include activities selected by the State to carry out paragraph (1))” after “following activities”;

(B) by striking paragraphs (1) and (2) and inserting the following:

“(1) Supporting the education and professional development of child care staff and supporting child care providers in the recruitment of, professional development for, and retention of a qualified child care workforce, through activities selected by the State such as—

“(A) the development and expansion of initiatives to assist child care staff in the attainment of postsecondary credentials and degrees;
“(B) the provision of financial assistance (including through bonuses, retention grants, and wage supplements)—

“(i) for child care staff to pursue a postsecondary credential or degree; and

“(ii) for child care providers to recruit, provide professional development for, and retain child care staff who have attained such credentials or degrees;

“(C) the development and implementation of apprenticeship programs that equip apprentices with specialized knowledge, skills, and competencies required to work in child care, which programs may include activities to—

“(i) increase the number of individuals (including the number of individuals seeking to work with priority populations of children described in section 658E(c)(2)(M)) who complete an apprenticeship program and obtain a credential or degree;

“(ii) promote the recruitment and retention of apprentices through strategies for—
“(I) supervising and mentoring apprentices; and
““(II) providing pathways to career advancement for apprentices; and
“(iii) support partnerships between institutions of higher education, eligible child care providers (or a consortium of eligible child care providers), and other entities participating in an apprenticeship program to provide for—
“(I) the award of postsecondary academic credit for related instruction or on-the-job training provided through the apprenticeship; and
“(II) the application of such credit toward a credential or degree from an institution in the partnership;
or
“(D) professional development opportunities for child care providers that relate to—
“(i) the use of scientifically-based, developmentally-appropriate and age-appropriate strategies to promote the social, emotional, physical, and cognitive development of children, including specialized pro-
fessional development for child care providers caring for those priority populations of children described in section 658E(e)(2)(M);

“(ii) the use of effective behavior management strategies, including positive behavior interventions and support models, that promote positive social and emotional development and reduce challenging behaviors, including reducing expulsions of preschool-aged children for such behaviors;

“(iii) the nutritional and physical activity needs of young children to promote healthy development; and

“(iv) the use of strategies for engaging parents and families in culturally and linguistically appropriate ways to expand their knowledge, skills, and capacity to support their children’s development;”;

(C) by redesignating paragraph (3) as paragraph (2);

(D) in paragraph (2), as so redesignated—

(i) by striking subparagraph (A) and inserting the following:
“(A) support and assess the quality of child care providers in the State, which may include supporting child care providers in the voluntary pursuit of accreditation by a national accrediting body with demonstrated, valid, and reliable program standards of high quality;”;

and

(ii) by striking subparagraph (C) and inserting the following:

“(C) be designed to improve the quality of different types of child care providers and services, including child care centers and family child care providers, and which shall be appropriate for providers serving different age groups of children and for providers serving children during nontraditional hours of operation;”;

(E) by inserting after paragraph (2), as so redesignated, the following:

“(3) Establishing or expanding a statewide system of child care resource and referral services to help parents make informed choices about child care services through transparent and easy-to-understand consumer information about high-quality care and education.”;
(F) by striking paragraphs (4) through (6);

(G) by redesignating paragraph (7) as paragraph (4);

(H) by striking paragraphs (8) and (9); and

(I) by redesignating paragraph (10) as paragraph (5); and

(3) in subsection (c), by striking “Beginning with fiscal year 2016, at” and inserting “At”.

SEC. 8. 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(8)”; and

(3) in subparagraph (F), by striking “section 658P(6)(B)” and inserting “section 658A(8)(B)”.

SEC. 9. REPORTS, HOTLINE, AND WEBSITE.

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

(1) in subsection (a), by striking “Not later” and all that follows through “the Secretary shall” and inserting “The Secretary shall biennially”; and

(2) in subsection (b)(2)(B)(ii), by inserting “, or a national accrediting body with demonstrated, valid, and reliable program standards for high quality,” after “System”.

SEC. 10. 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. 11. 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 and early education 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(8)(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(8)(A) and
that commits to provide child care services to children eligible for services under this subchapter.

“(c) 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 2023 through 2025.

“(d) Grants Authorized; Allotments.—

“(1) In general.—From funds made available under subsection (c), 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 (c) 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
urban, suburban, and rural areas can readily
apply for and access funding under this section,
which shall include providing technical assist-
ance either directly or through a third party
which may include a resource and referral agen-
cy 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, terri-
tory, 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, repaired, or permanently improved with funds provided under this paragraph, the Secretary shall not retain the Federal interest 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 populations 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 supplement and not supplant other Federal, State, and local public funds expended to increase the supply of child care and to improve child care facilities.

“(h) DOCUMENTATION AND REPORTING REQUIREMENTS.—

“(1) DOCUMENTATION.—A State receiving a grant under subsection (d) shall provide documentation of any State expenditures from grant funds received under subsection (d) in accordance with sec-
tion 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;
“(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 Education and Labor of the House of Rep-
resentatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that provides national and State-level data for the information collected under sub-
paragraph (A).

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

SEC. 12. DEPARTMENT OF AGRICULTURE LOAN RESTRICTIONS.

The Secretary of Agriculture shall revise section 3555.102(c) of title 7, Code of Federal Regulations, to ex-
clude a business that is licensed, regulated, or registered as a child care provider under State law.