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 (for herself, Mr. Casey, Mr. Kaine, Ms. Hirono, Mr. Schumer, Mr. Sanders, Ms. Baldwin, Mr. Bennet, Mr. Blumenthal, Mr. Booker, Mr. Brown, Ms. Cantwell, Mr. Coons, Ms. Cortez Masto, Ms. Duckworth, Mr. Durbin, Mrs. Feinstein, Mr. Fetterman, Mrs. Gillibrand, Ms. Hassan, Mr. Heinrich, Ms. Klobuchar, Mr. King, Mr. Luján, Mr. Markey, Mr. Menendez, Mr. Merkley, Mr. Murphy, Mr. Padilla, Mr. Reed, Ms. Rosen, Mr. Schatz, Mrs. Shaheen, Ms. Smith, Mr. Van Hollen, Mr. Welch, Mr. Whitehouse, and Mr. Wyden) 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) 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.

(B) Rule.—Nothing in this section shall preclude the use of such certificates for sectarian child care services if freely chosen by the parent. For the purposes of this section, child
care certificates shall be considered indirect
Federal financial assistance to the provider.

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

(3) ELIGIBLE ACTIVITY.—The term “eligible
activity”, with respect to a parent, shall include, at
minimum, activities 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 pro-
gram of high school classes, a course of study
at an institution of higher education, classes to-
wards 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 con-
dition that prevents the parent from partici-
pating in other eligible activities;
(G) activities to prevent child abuse and neglect, or family violence prevention or inter-
vention activities;

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

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

(4) ELIGIBLE CHILD.—

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

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

(ii) who is not yet in kindergarten;

and

(iii) who—

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

(II) is included in a population of vulnerable children identified by the lead agency involved, which at a min-
imum shall include children with dis-
abilities, infants and toddlers with disabilities, children experiencing homelessness, children in foster care, children in kinship care, children in a family that is eligible for assistance through the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), a household that is eligible to receive assistance through the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), or a family that is eligible to receive assistance through the program of block grants to States for temporary assistance for needy families established under part A of title III of the Social Security Act (42 U.S.C. 601 et seq.), and children who are receiving, or need to receive, child protective services; or

(III) resides with—
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(aa) a parent who is more than 65 years of age;

(bb) a parent who is employed by an eligible child care provider; or

(cc) a parent who is enrolled in high school and has not exceeded the maximum age of enrollment in high school.

(B) LONGER-TERM PERIOD ELIGIBILITY.—

An individual who is determined to be an eligible child, and is a child in foster care or a child experiencing homelessness, shall not be required to reverify eligibility for purposes of this title during the period after the determination and before the individual becomes 6 years of age or enters kindergarten, whichever occurs earlier.

(5) ELIGIBLE CHILD CARE PROVIDER.—

(A) IN GENERAL.—The term “eligible child care provider” means a center-based child care provider, a family child care provider, or other provider of child care services for compensation that—

(i) is licensed to provide child care services under State law applicable to the
child care services it provides or, in the case of an Indian Tribe or Tribal organization, meets the rules set by the Secretary;

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

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

(II) for the remainder of the period for which the provider receives funds under this section; and

(iii) satisfies the State and local requirements, including those requirements described in section 658E(c)(2)(I) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e(c)(2)(I)), applicable to the child care services it provides.

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

(6) FMAP.—The term “FMAP” has the meaning given the term “Federal medical assistance percentage” in the first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(7) FAMILY CHILD CARE PROVIDER.—The term “family child care provider” means one or more individuals who provide child care services, in a private residence other than the residences of the children involved, for less than 24 hours per day per child, or for 24 hours per day per child due to the nature of the work of the parent involved.

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

(A) for whom the percentage of children served by the provider who are children with
disabilities or infants or toddlers with disabilities reflects the prevalence of children with disabilities and infants and toddlers with disabilities (whichever the provider serves) among children within the State involved; and

(B) that provides care and full participation for children with disabilities and infants and toddlers with disabilities (whichever the provider serves) alongside children who are—

(i) not children with disabilities; and

(ii) not infants and toddlers with disabilities.

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

(10) INFANT OR TODDLER WITH A DISABILITY.—The term “infant or toddler with a disability” has the meaning given the term in section 632 of the Individuals with Disabilities Education Act (20 U.S.C. 1432).

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

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

(A) a center-based child care provider;
(B) a family child care provider; or

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

(13) STAFFED FAMILY CHILD CARE NETWORK.—The term “staffed family child care network” means a nonprofit organization—

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

(B) that has at least one paid staff member; and

(C) that offers evidence-based professional development, quality improvement support, business support, and technical assistance, including on achieving licensure as a child care provider, to family child care providers.

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

(15) TERRITORY.—The term “territory” means the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(e) APPROPRIATIONS.—

(1) ENTITLEMENT.—In addition to amounts otherwise available, there is appropriated to the De-
department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for each of fiscal years 2024 through 2029, for payments to States, territories, and Indian Tribes and Tribal organizations, and for carrying out this section (other than carrying out activities described in paragraph (2) or (3)).

(2) GRANTS TO LOCALITIES; AWARDS TO HEAD START AGENCIES.—In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services for fiscal year 2024, out of any money in the Treasury not otherwise appropriated, $20,000,000,000, to remain available until September 30, 2029, to carry out the programs of grants to localities and awards to Head Start agencies described in subsection (i).

(3) FEDERAL ADMINISTRATION.—In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services for fiscal year 2024, out of any money in the Treasury not otherwise appropriated, $1,300,000,000, to remain available until September 30, 2029, to carry out subsections (k) and (l).
(d) Establishment of Birth Through Five Child Care and Early Learning Entitlement Program.—

(1) In general.—The Secretary is authorized to administer a child care and early learning entitlement program under which an eligible child, in a State, territory, or Indian Tribe, or served by a Tribal organization with an approved application under subsection (f) or (g), shall be provided an opportunity to obtain high-quality child care services, subject to the requirements of this section.

(2) Assistance for every eligible child.—Beginning on October 1, 2024, every child who applies for assistance under this section, who is in a State with an approved application under subsection (f), or in a territory or Indian Tribe or served by a Tribal organization with an approved application under subsection (g), and who is determined, by a lead agency (or other entity designated by a lead agency) for the State, territory, Indian Tribe, or Tribal organization involved, following standards and procedures established by the Secretary by rule, to be an eligible child, shall be offered and shall be entitled to receive assistance for direct
child care services in accordance with and subject to the requirements and limitations of this section.

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

(f) APPLICATIONS AND STATE PLANS.—

(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary for approval an application containing a State plan that meets the requirements under paragraph (3) and contains that information.

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

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

(A) Payment rates and cost estimation.—

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

(I) will be sufficient to meet the cost of child care (including fixed costs such as rent or mortgage and salaries), and set (with pay being paid) in accordance with a cost estimation model or cost study described in clause (ii) that is approved by the Secretary; and

(II) will correspond to differences in quality (including improved quality) based on the State’s tiered system for recognizing and supporting the quality of child care services described in sub-paragraph (B).
(ii) Cost estimation.—Such State plan shall—

(I) demonstrate that the State has, after consulting with the entities and administrators described in subclause (II), developed and uses a statistically valid and reliable cost estimation model or cost study for the payment rates for direct child care services in the State (that are sufficient to cover providers’ fixed costs and take into account payments made through BASE grants under title II), for the cost of child care at each of the tiers of the State’s tiered system for recognizing and supporting the quality of child care services described in subparagraph (B), and for variations in the cost of direct child care services by geographic area, provider type, and age of child, and the additional costs associated with providing inclusive care;

(II) certify that the entities and administrators consulted included the
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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)) (including State Head Start collaboration office directors), administrators of local child care programs and Head Start agencies, organizations representing child care directors, teachers, and other staff, local child care resource and referral organizations, organizations representing parents of children with disabilities and parents of infants and toddlers with disabilities, the State interagency coordinating council established under section 641 of the Individuals with Disabilities Education Act (20 U.S.C. 1441), the State advisory panel established under section 612(a)(21) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(21)), and other appropriate entities;

(III) certify that the State—
(aa) not later than 30 days after finalizing the cost estimation model or cost study, published a detailed report containing the child care costs estimated with the cost estimation model or cost study, and including an explanation detailing how the wage requirements described in subclause (IV)(cc) were applied in the estimation of such costs; and

(bb) not later than 60 days after publishing the report, established a system to receive public comment on the report about making changes to the cost estimation model or cost study, provided an opportunity for the public to comment on the report through that system, and submitted the report to the Secretary; and

(IV) certify that the State’s payment rates for direct child care serv-
ices for which assistance is provided
in accordance with this section—

(aa) are set (with pay being
paid) in accordance with the
most recent estimates from the
most recent cost estimation
model or cost study under sub-
clause (I), so that providers at
each tier of the tiered system for
recognizing and supporting the
quality of child care services de-
scribed in subparagraph (B) re-
ceive a payment that is sufficient
to fully meet the requirements of
such tier;

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

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

(AA) at a minimum,

provide a living wage for all
staff of such child care pro-
viders; and

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

(dd) are adjusted on an an-
nual basis for cost of living in-
creases to ensure those payment
rates remain sufficient to meet
the requirements of this section;

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

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

(iii) Payment practices.—Such
State plan shall include an assurance that
the State will implement payment practices
that support the fixed costs of providing
direct child care services.

(B) Tiered system for recognizing
and supporting the quality of child care
services.—Such State plan shall certify that
the State has implemented, or assure that the
State will develop or revise within 3 years after
first receiving funds under this section, with
input (from early childhood education and de-
velopment experts, from a diverse group of child
care providers of a variety of provider types,
from families, and from organizations rep-
resenting child care directors, teachers, and
other staff), a tiered system for recognizing and
supporting the quality of child care services for
which assistance is made available under this
section, and that are inclusive and appropriate
for such child care providers. Such tiered sys-
tem shall—
(i) include a set of standards, for de-
termining the tier of quality of a child care
provider, that—

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

(II) includes quality indicators
and thresholds that are appropriate
for child development for different
types of provider types, including cen-
ter-based child care providers and
family child care providers, and are
appropriate for providers serving dif-
ferent age groups (including mixed
age groups) of children; and

(III) aligns standards for the
lowest tier with State licensing re-
quirements for child care providers
described in subparagraph (K);
(ii) include a different set of standards that includes indicators, when appropriate, for care during nontraditional hours of operation; and

(iii) provide for sufficient resources and supports for child care providers at tiers lower than the highest tier to facilitate progression toward meeting higher quality standards.

(C) **Achieving High Quality for All Children**.—Such State plan shall certify the State has implemented, or will implement within 3 years after first receiving funds under this section, policies and financing practices that will ensure all eligible children can choose to attend child care with services at the highest quality tier within 10 years after the date of enactment of this Act.

(D) **Number and Percentage of Providers at Each Tier**.—Such plan shall provide information on the number and percentage of eligible child care providers with services at each tier of the State’s tiered system for recognizing and supporting the quality of child care services described in subparagraph (B), in total
and disaggregated by geographic area, by provider race and ethnicity, and by race and ethnicity and age of the children served, unless the disaggregation involved would reveal personally identifiable information about an individual provider or child.

(E) COMPENSATION.—Such plan shall provide a certification that the State has or will have within 3 years after first receiving funds under this section, a wage ladder for staff of eligible child care providers receiving assistance under this section, including a certification that wages for such staff, at a minimum, will meet the requirements of subparagraph (A)(ii)(IV)(cc).

(F) SLIDING FEE SCALE FOR COPAYMENTS.—

(i) IN GENERAL.—Except as provided in clause (ii)(I), the State plan shall provide an assurance that the State will for the period covered by the plan use a sliding fee scale, which shall gradually increase copayments as a percentage of family income for families with greater family incomes as described in clause (ii), to de-
termine a copayment for a family receiving 
assistance under this section (or, for a 
family receiving part-time care, a reduced 
copayment that is the proportionate 
amount of the full copayment).

(ii) SLIDING FEE SCALE.—A full co-
payment described in clause (i) shall be de-
termined using a sliding fee scale that pro-
vides that, for a family with a family in-
come—

(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 per-
cent 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 per-
cent of that family income, toward
such cost for all such children;

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

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

(G) Prohibition on charging more
than copayment.—The State plan shall cer-
tify that, after the State develops and uses the
cost estimation model or cost study described in
subparagraph (A)(ii), the State will not permit
a child care provider receiving financial assist-
ance under this section to charge, for direct
child care services for an eligible child, more
than the total of—

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

(ii) any applicable copayment pursuant
to subparagraph (F).

(H) REDUCTION OF BARRIERS.—The State
plan shall assure that each child who receives
assistance under this section will be considered
to meet all eligibility requirements for such as-

(iii) and will receive such assistance, for
not less than 12 months unless the child has
aged out of the program, and the child’s eligi-
bility determination and redetermination, in-
cluding any determination based on the State’s
definition of eligible activities, shall be imple-
mented in a manner that supports child well-
being and reduces barriers to enrollment, in-
cluding continuity of services.

(I) POLICIES TO SUPPORT ACCESS TO
CHILD CARE FOR UNDERSERVED POPU-
LATIONS.—The State plan shall demonstrate
that the State will prioritize increasing access
to, and the quality and the supply of, child care
in the State for underserved populations, in-
cluding at a minimum, children from low-income families, children in underserved areas, in-
fants and toddlers, children with disabilities and
infants and toddlers with disabilities, children
who are dual language learners, children experi-
encing homelessness, children in foster or kin-
ship care, children who receive care during non-
traditional hours, and vulnerable children as de-
fined by the lead agency pursuant to subsection
(b)(4)(A)(iii)(II).

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

(K) LICENSING.—

(i) CONSULTATION.—The State plan
shall demonstrate that the State has con-
sulted or will consult with organizations
(including labor organizations and child
care and early learning organizations) rep-
resenting eligible child care providers (in-
cluding family child care providers), child
care associations, child care directors,
teachers, or other staff (including direc-
tors, teachers, or staff from child care pro-
viders serving higher proportions of under-
served populations as identified under sub-
paragraph (I)), early childhood education
and development experts, maternal and
child health experts, and families in the de-
development of licensing standards described
in this subparagraph, including identifying
barriers to such licensing for child care
providers who are exempt from such licens-
ing under the Child Care and Development
Block Grant of 1990 (42 U.S.C. 9857 et
seq.).

(ii) LICENSING STANDARDS.—

(I) IN GENERAL.—The State
plan shall certify that the State will
develop or revise, within 2.5 years
after first receiving funds under this
section, licensing standards appro-
priate for child care providers of a va-
riety of provider types and provider sizes (which may, when appropriate, include a different set of licensing standards with respect to care during nontraditional hours of operation) and a pathway to licensure described in this clause that is available to and appropriate for such child care providers, that will offer providers eligible under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.) a reasonable pathway to become eligible providers under this section, and that will assure an adequate supply of child care.

(II) DETERMINATION.—For purposes of subclause (I), provider size shall be determined by measuring the number of children served by the provider.

(iii) TIMELINE.—Such plan shall describe the timeline the State will use to ensure sufficient time for providers described in subsection (b)(5)(B) to comply with such licensing standards in order to remain
eligible providers after 3.5 years after the State first receives funding under this section.

(iv) **Financial Support for Providers.**—Such plan shall describe how the State will use funds reserved under subsection (h)(3)(A) to enable a variety of provider types to achieve licensure, including paying for the costs of required background checks, health screening, and initial and ongoing training, and other costs associated with achieving licensure.

(L) **Prohibition on Suspensions, Expulsions, and Aversive Behavioral Interventions.**—The State plan shall provide an assurance that the State will—

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

(I) the use of suspension and expulsion of children; and

(II) the use of aversive behavioral interventions; and

(ii) provide training resources to eligible child care providers and information to
families to support the prohibition of practices described in subclauses (I) and (II) of clause (i).

(M) MULTITIERED SYSTEMS OF SUPPORT.—The State plan shall provide an assurance that the State will provide assistance to eligible child care providers to implement multitiered systems of support such as systems with positive behavioral interventions and supports, infant and early childhood mental health consultation and trauma-informed care that promote positive social and emotional development and reduce challenging behaviors.

(N) ENROLLMENT PRACTICES.—

(i) IN GENERAL.—The State plan shall describe how the lead agency will ensure that families have access to a low-barrier enrollment (including re-enrollment) process that is accessible to and minimizes burdens for families with diverse characteristics, by implementing activities such as allowing for simplified enrollment for siblings, coordinating with other State agencies to streamline enrollment processes across public assistance programs, requir-
ing minimal paperwork, allowing for enrollment through a State or local website, and providing flexible submission deadlines.

(ii) DEFINITION.—In this subparagraph, the term “family with diverse characteristics” includes families with adults with disabilities, with children with disabilities, or with infants and toddlers with disabilities, families experiencing homelessness, families with limited access to internet connectivity, families living in rural areas, families of dual language learners, and families with children in underserved populations identified under subparagraph (I).

(O) IMPLEMENTATION FOR LOW-INCOME FAMILIES.—The State plan shall include a certification that the applicant, not later than October 1, 2024, will provide assistance described in subsection (d)(2) to every child in the State who is described in that subsection, and is from a family with a family income of not more than 85 percent of the State median income for a family of the same size, before the applicant ex-
pands the program involved to provide such assistance to children from additional families.

(g) Payments.—

(1) In General.—For each of fiscal years 2024 through 2029:

(A) Child care assistance for eligible children.—

(i) In General.—The Secretary shall pay to each State with an approved application under subsection (f), and that State shall be entitled to, an amount for each quarter equal to 90 percent of expenditures (which shall be the Federal share of such expenditures) in the quarter for direct child care services described under subsection (h)(2) for eligible children.

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

(iii) Prohibition.—Activities described in subparagraph (B) or (C) may not be included in the cost of direct child care services described in this subparagraph.
(B) Activities to improve the quality and supply of child care services.—The Secretary shall pay to each State with such an approved application, and that State shall be entitled to, the FMAP of expenditures (which shall be the Federal share of such expenditures) to carry out activities to improve the quality and supply of child care services under subsection (h)(3) subject to the limit specified in subparagraph (A) of such subsection.

(C) Administration.—The Secretary shall pay to each State with such an approved application, and that State shall be entitled to, an amount equal to 50 percent of expenditures (which shall be the Federal share of such expenditures) for the costs of administration incurred by the State—

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

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

(2) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—For each of fiscal years 2024 through 2029, the Secretary shall make payments under this subsection for a period on the basis of advance estimates of expenditures submitted by the State and such other investigation as the Secretary may find necessary, and shall reduce or increase the payments as necessary to adjust for any overpayment or underpayment for previous periods. No interest shall be charged or paid on any amount due because of an overpayment or underpayment for previous periods.

(3) TERRITORIES AND TRIBES.—

(A) IN GENERAL.—For each of fiscal years 2024 through 2029, from amounts appropriated under subsection (c)(1) the Secretary shall make payments to territories, and Indian Tribes and Tribal organizations, as the case may be, with applications submitted as described in subparagraph (B), and approved by the Secretary for the purpose of carrying out the child care program described in this section, consistent, to the extent practicable as deter-
mined by the Secretary (subject to subsection (d)(2)), with the requirements applicable to States.

(B) APPLICATIONS.—

(i) TRIBAL APPLICATIONS.—An Indian Tribe or Tribal organization seeking a payment under this paragraph shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may specify, including—

(I) a certification described in subsection (f)(3)(O), except that each reference in the subsection to “child in the State” shall be considered to be a reference to “child served by the Indian Tribe or Tribal organization, as the case may be,”; and

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

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

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

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

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

(h) USE OF FUNDS.—

(1) IN GENERAL.—Starting on October 1, 2024, a State shall use amounts provided to the State under subsection (g) for direct child care services (provided on a sliding fee scale basis), activities to improve the quality and supply of child care services consistent with paragraph (3), and State administration consistent with subsection (g)(1)(C).

(2) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN.—

(A) IN GENERAL.—For each of fiscal years 2024 through 2029, from payments made to the State under subsection (g) for that particular fiscal year, the State shall ensure that parents of eligible children can access direct child care services provided by an eligible child care provider under this section through a grant or contract as described in subparagraph (B) or a certificate as described in subparagraph (C).

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

(C) CERTIFICATES.—The State shall issue
a child care certificate directly to a parent who
shall use such certificate only as payment for
direct child care services or as a deposit for di-
rect child care services if such a deposit is re-
quired of other children being cared for by the
provider, consistent with the requirements
under this section.

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

(A) QUALITY CHILD CARE ACTIVITIES.—

(i) AMOUNT.—For each of fiscal years
2024 through 2029, from the total of the
payments made to the State for a par-
ticular fiscal year, the State shall reserve
and use a quality child care amount equal
to not less than 5 percent and not more
than 10 percent of the amount made avail-
able to the State through such payments for the previous fiscal year.

(ii) **USE OF QUALITY CHILD CARE AMOUNT.**—Each State shall use the quality child care amount described in clause (i) to implement activities described in this paragraph to improve the quality and supply of child care services by eligible child care providers, and increase the number of available slots in the State for child care services funded under this section, prioritizing assistance for child care providers who are in underserved communities and who are providing, or are seeking to provide, child care services for underserved populations identified under subsection (f)(3)(I).

(iii) **ADMINISTRATION.**—Activities funded under this paragraph may be administered—

(I) directly by the lead agency; or

(II) through other State government agencies, local or regional child care resource and referral organizations, community development finan-
cial institutions, other intermediaries
with experience supporting child care
providers, or other appropriate enti-
ties that enter into a contract with the
State to provide such assistance.

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

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

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

(aa) support startup and ex-
pansion costs; and
(bb) assist such providers in meeting health and safety requirements, achieving licensure, conducting background checks, and meeting requirements in the State’s tiered system for recognizing and supporting the quality of child care services described in subsection (f)(3)(B).

(II) REQUIREMENT.—As a condition of receiving a startup or supply expansion grant under this clause, a child care provider shall commit to meeting the requirements of an eligible provider under this section, and providing child care services to children receiving assistance under this section on an ongoing basis.

(ii) QUALITY GRANTS.—From a portion of the quality child care amount, a State shall provide quality grants to support eligible child care providers in providing child care services to children receiving assistance under this section to im-
prove the quality of such providers, including—

(I) supporting such providers in meeting or making progress toward the requirements for the highest tier of the State’s tiered system for recognizing and supporting the quality of child care services described in subsection (f)(3)(B); and

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

(iii) FACILITIES GRANTS.—From a portion of the quality child care amount, a State shall provide support, including through awarding facilities grants, for an activity (referred to in this subparagraph as a “covered activity”) consisting of remodeling, renovation, or repair of a building or facility, or for construction, permanent improvement, or major renovation of a building or facility primarily used for
providing direct child care services, in accordance with the following:

(I) **RECIPIENTS.**—The facilities grants shall be awarded to eligible child care providers with submitted or approved applications under subsection (f) or (g) or to intermediaries with experience supporting child care providers in order to enable the intermediaries to assist such eligible child care providers with covered activities.

(II) **ELIGIBILITY.**—To be eligible to receive funds through a facilities grant under this clause, a child care provider shall enter into an agreement with the State in which the provider commits to use the funds only after obtaining approval of an application under subsection (f) or (g) and commits to provide child care services to children receiving assistance under this section on an ongoing basis.

(III) **FEDERAL INTEREST APPLICATION.**—Provisions of Federal law relating to a Federal interest in a
building or facility shall not apply to
a covered activity for privately-owned
family child care homes under this
clause.

(IV) **Federal Interest Duration.**—The Secretary shall not retain
a Federal interest after a period of 10
years in any building, or facility, at
which a covered activity was carried
out with funds awarded under this
clause.

(V) **Religious Buildings and
Facilities.**—Eligible child care pro-
viders may not use funds for buildings
or facilities that are used primarily
for sectarian instruction or religious
worship.

(VI) **Family Child Care
Homes.**—The Secretary shall develop
parameters on the use of funds under
this clause for family child care
homes.

(iv) **State Activities to Improve
the Quality of Child Care Services.**—
A State shall use a portion of the quality
child care amount to improve the quality of child care services available under this section, which shall include—

(I) supporting the training and professional development of the early childhood workforce, including supporting degree attainment and credentialing for early childhood educators;

(II) developing, implementing, or revising the State’s tiered system for recognizing and supporting the quality of child care services described in subsection (f)(3)(B);

(III) improving the supply and quality of developmentally appropriate and inclusive child care programs and services for underserved populations identified under subsection (f)(3)(I);

(IV) improving access to child care services for vulnerable children as defined by the lead agency pursuant to subsection (b)(4)(A)(iii)(II);
(V) providing outreach and enrollment support for families of eligible children;

(VI) supporting eligible child care providers to eliminate use of suspensions, expulsions, and aversive behavioral interventions, including through adaptations and interventions by special educators, mental health consultants, and other community resource personnel, such as behavior coaches, psychologists, and other appropriate specialists, and through the provision of mental health services for the providers;

(VII) promoting multitiered systems of support such as systems with positive behavioral interventions and supports and trauma-informed care that promote positive social and emotional development and reduce challenging behaviors;

(VIII) offering training, coaching, or professional development opportunities for eligible child care pro-
providers that relate to the use of evidence-based, developmentally appropriate and age-appropriate strategies to promote the social, emotional, physical, adaptive, communication, and cognitive development of children;

(IX) improving coordination between States and local governments with respect to licensing and other regulatory requirements for eligible child care providers;

(X) increasing interrater reliability concerning licensing inspections or other evaluations of eligible child care providers by training licensing inspectors of the providers and providing such inspectors with additional professional development;

(XI) identifying and eliminating barriers to licensure of eligible child care providers, such as through reducing fees for background checks, translating licensing regulations into languages other than English, and col-
laborating with housing agencies or local governments; and

(XII) establishing or supporting a system of local or regional child care resource and referral organizations that is coordinated, to the extent determined appropriate by the State, by a statewide public or private non-profit, community-based or regionally based, lead child care resource and referral organization, as described in section 658E(c)(3)(B)(iii) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(e)(3)(B)(iii)).

(v) TECHNICAL ASSISTANCE.—From a portion of the quality child care amount described in subparagraph (A), the State, in coordination with local governments and staffed family child care networks as appropriate, shall provide technical assistance to increase the supply of eligible child care providers in the State, such as—

(I) providing business startup support;
(II) conducting outreach to recruit new child care providers and inform such providers about the opportunities provided under this title, including support for participation in the tiered system for recognizing and supporting the quality of child care services described in subsection (f)(3)(B);

(III) providing support to enable providers to achieve licensure (including providing support for child care providers operating legally without a child care license to obtain such license, such as providing, for individuals seeking a child care license, pre-licensing orientation and technical assistance throughout the child care licensing process);

(IV) offering orientations for new child care providers including orientations explaining support under programs such as 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); and

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

(i) Grants to Localities and Awards to Head Start Programs.—

(1) Eligible locality defined.—In this subsection, the term “eligible locality” means a city, county, or other unit of general local government.

(2) Grants to Localities.—

(A) In general.—The Secretary shall use funds appropriated under subsection (e)(2) to award local Birth Through Five Child Care and Early Learning Grants, as determined by the Secretary, to eligible localities located in States that have not received payments under subsection (g). The Secretary shall award the grants to eligible localities in such a State from the allotment made for that State under subparagraph (B).

(B) Allotments.—

(i) Poverty line defined.—In this subparagraph, the term “poverty line” means the poverty line defined and revised
as described in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).

(ii) General Authority.—For each State described in subparagraph (A), the Secretary shall allot for the State for a fiscal year an amount that bears the same relationship to the funds appropriated under subsection (c)(2) and available to carry out this paragraph for the fiscal year as the number of children from families with family incomes that are at or below 200 percent of the poverty line, and who are under the age of 6, in the State bears to the total number of all such children in all States described in subparagraph (A).

(C) Application.—To receive a grant from the corresponding State allotment under subparagraph (B), an eligible locality shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The requirements for the application shall, to the greatest extent practicable, be consistent with
the State plan requirements applicable to States under subsection (f).

(D) REQUIREMENTS.—The Secretary shall specify the requirements for an eligible locality to provide access to child care, which child care requirements shall, to the greatest extent practicable, be consistent with the requirements applicable to States under this section.

(E) RECOUPEMENT OF UNUSED FUNDS.—Notwithstanding any other provision of this section, for each of fiscal years 2025 through 2029, the Secretary shall have the authority to recoup any unused funds allotted under subparagraph (B) for awards under paragraph (3)(A) to Head Start agencies in accordance with paragraph (3).

(3) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

(A) IN GENERAL.—The Secretary shall use funds appropriated under subsection (e)(2) or recouped under paragraph (2) to make awards to Head Start agencies in a State described in paragraph (2)(A) to carry out the purposes of the Head Start Act (42 U.S.C. 9831 et seq.) in such State.
(B) RULE.—For purposes of carrying out the Head Start Act in circumstances not involving awards under this paragraph, funds awarded under subparagraph (A) shall not be included in the calculation of a “base grant” as such term is defined in section 640(a)(7)(A) of the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

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

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

(j) PROGRAM REQUIREMENTS.—

(1) NONDISCRIMINATION.—The following provisions of law shall apply to any program or activity that receives funds provided under this section:
(A) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.).

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


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

(2) Prohibition on additional eligibility requirements.—No individual shall be determined, by the Secretary, a State, or another recipient of funds under this section, to be ineligible for child care services provided under this section, except on the basis of eligibility requirements specified in or under this section.

(3) Maintenance of effort.—

(A) In general.—A State that receives payments under this section for a fiscal year, in using the funds made available through the payments, shall maintain the expenditures of the State for child care services at the average level of such expenditures by the State for the 3 preceding fiscal years.

(B) Counting rule.—State expenditures counted for purposes of meeting the require-
ment in subparagraph (A) may also be counted for purposes of meeting the requirement to provide a non-Federal share under subparagraph (A), (B), or (C), as appropriate, of subsection (g)(1).

(4) SUPPLEMENT NOT SUPPLANT.—Funds received under this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide child care services in the State on the date of enactment of this Act, calculated as the average amount of such Federal, State, and local public funds expended for fiscal years 2021, 2022, and 2023.

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

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

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

(ii) shall be provided from State or local sources, contributions from philanthropy or other private organizations, or a
combination of such sources and contributions; and

(B) for activities to improve the quality and supply of child care services described in subsection (g)(1)(B), and administration described in subsection (g)(1)(C)—

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

(ii) shall be provided from State or local sources, contributions from philanthropy or other private organizations, or a combination of such sources and contributions; and

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

(k) **Monitoring and Enforcement.**—

(1) **Review of Compliance with Requirements and State Plan.**—The Secretary shall review and monitor compliance of States, territories, Tribal entities, and local entities with this section and State compliance with the State plan described in subsection (f)(3).
ISSUANCE OF RULE.—The Secretary shall establish by rule procedures for—

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

(B) notifying a State when the Secretary has determined there has been a failure by the State to comply with a requirement of this section; and

(C) imposing sanctions under this subsection for such a failure.

FEDERAL ADMINISTRATION.—Using funds appropriated under subsection (c)(3), the Secretary shall carry out administration of this section, shall provide (including through the use of grants or cooperative agreements) technical assistance to States, territories, Indian Tribes, and Tribal organizations, and shall carry out research, and evaluations related to this section.

NONPOSTSECONDARY EDUCATION PROGRAM.—For purposes of section 401 of the Act entitled “An Act to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997”, approved August 22, 1996, the program carried
out under this section shall be considered to be a program of nonpostsecondary education.

(n) REPORTS.—

(1) COLLECTION OF INFORMATION BY STATES.—

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

(B) REQUIRED INFORMATION.—The information required to be collected under this subparagraph shall consist of, with respect to a family receiving assistance under this section, information concerning—

(i) family income;

(ii) county (or comparable local jurisdiction) of residence;

(iii) the gender, race and ethnicity, and age of each child receiving such assistance;

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

(v) the number of months the family has received such assistance;
(vi) the provider type with which the child was enrolled;

(vii) the amount of the copayment paid for child care provided under this section;

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

(ix) whether the children receiving assistance under this section are either children with disabilities or infants and toddlers with disabilities.

(C) Submission to the Secretary.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

(D) Use of Samples.—

(i) Authority.—A State may comply with the requirement to collect the information described in subparagraph (B) through the use of disaggregated case record information for a sample of families selected through the use of scientifically
acceptable sampling methods approved by the Secretary.

(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case record sampling plans and data collection procedures as the Secretary determines to be necessary to produce statistically valid samples of the information described in subparagraph (B). The Secretary may develop and implement procedures for verifying the quality of the data submitted by the States.

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

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

(A) the number of child care providers that received funding under this section and licensed
capacity of such providers, and such data
disaggregated by provider type, by the quality
rating on the State’s tiered system for recog-
nizing and supporting the quality of child care
services described in subsection (f)(3)(B) (re-
ferred to in this subsection as the “quality rat-
ing”) of such providers, and by the geographic
area of such providers;

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

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

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

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

(II) family income of the child’s fam-
ily;

(III) age of the child;
(IV) the child’s status as an infant or toddler with a disability or child with a disability;

(V) the child’s status as a child experiencing homelessness;

(VI) the child’s status as a child in foster care; and

(VII) the child’s status (to the extent the status is known) as a dual language learner;

(C) the monthly child care subsidy payment rate paid to eligible child care providers for child care services funded under this section, as determined by the State’s cost estimation model or cost study described in subsection (f)(3)(A)(i), including any variation in the rate by geographic area, provider type, age of child, and costs associated with providing inclusive care;

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

(E) the number and percentage of payments made by the State for such services to eligible child care providers through certificates,
grants, and contracts, and such data disaggregated by provider type;

(F) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided under this section;

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

(H) the geographic area of child care providers funded under this section;

(I) the quality features of child care services provided by providers funded under this section, compared to the quality features of child care services provided by other child care providers, to the extent possible, including data on quality features such as—

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

(ii) length of staff retention;

(iii) presence of coaching and professional development activities;

(iv) number of providers remaining open through the year covered;
(v) measured parent satisfaction; and

(vi) presence of provision of information in languages other than English;

(J) the quality features of child care services received by children and funded under this section, and such data disaggregated by the children’s—

(i) race and ethnicity;

(ii) family income;

(iii) age;

(iv) status as an infant or toddler with a disability or child with a disability;

(v) status as a child experiencing homelessness;

(vi) status as a child in foster care;

and

(vii) status (to the extent the status is known) as a dual language learner;

(K) the number of child care providers, listed by provider type, geographic area, and provider quality rating, that received—

(i) a startup or supply expansion grant under subsection (h)(3)(B)(i);

(ii) a quality grant under subsection (h)(3)(B)(ii); or
(iii) a facilities grant under subsection (h)(3)(B)(iii); and

(L) the average wages (including salaries), or other compensation for staff of eligible child care providers funded under this section, and such data disaggregated by provider type, job position type, and to the extent possible, staff race and ethnicity.

(3) DESCRIPTION AND ANALYSIS.—The State shall include in each report described in paragraph (2)—

(A) a description of whether there are inequities in how child care providers with quality features described in paragraph (2)(I) are distributed among children served under this section; and

(B) an analysis of the State’s child care supply, including an analysis of the number of child care slots with licensed child care providers that were added or lost by the State in the covered year, and trends in such addition or loss by provider type and quality rating of child care provider.

(4) RULE ON DISAGGREGATION.—Nothing in this paragraph shall require disaggregation of data
if the disaggregation involved would reveal personally identifiable information about an individual provider or child.

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

(1) submit an annual report to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives, summarizing the findings from the reports received under subsection (n)(2); and

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

(p) TRANSITION PROVISIONS.—

(1) TREATMENT OF CHILD CARE AND DEVELOPMENT BLOCK GRANT FUNDS.—For each of fiscal years 2024 through 2029, a State receiving assistance under this section shall not use more than 15 percent of any funds received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.) to provide assistance for direct child care services to children who are under the age of 6, are not yet in kindergarten, and are eligible under that Act.
(2) Special rules regarding eligibility.—

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

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

(B) may continue to use the child care provider of the family’s choice.

(3) Transition procedures.—The Secretary is authorized to institute procedures for implementing this section, including issuing guidance for States receiving funds under subsection (g).

TITLE II—BUILDING AN AFFORDABLE SYSTEM FOR EARLY EDUCATION GRANTS

SEC. 201. PURPOSES.

The purposes of this title are to make child care services more accessible for families and to support the stability and quality of eligible child care providers by—

(1) promoting the stability of the child care sector by providing a source of stable funding to eligible
child care providers to help offset their operating expenses;

(2) supporting sustained and increased wages for early childhood educators or other staff of eligible child care providers, in order to stabilize and grow the child care workforce;

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

(4) supporting access to child care services for communities facing a particular shortage of child care options, including child care services for infants and toddlers, child care services during nontraditional or extended hours, and inclusive child care services for children with disabilities.

**SEC. 202. DEFINITIONS.**

In this title:

(1) CCDBG TERMS.—The terms “child care certificate”, “child with a disability”, “family child care provider”, “lead agency”, “Secretary”, and “State” have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n). The terms
“Indian Tribe” and “Tribal organization” have the meanings given the terms “Indian tribe” and “tribal organization” in section 658P of that Act.

(2) **Eligible child care provider.**—The term “eligible child care provider” means—

(A) an eligible child care provider as defined in section 658P of the Child Care and Development Block Grant Act of 1990; and

(B) an eligible child care provider as defined in title I.

(3) **Infant or toddler.**—The term “infant or toddler” means an individual who is less than 3 years of age.

(4) **Infant or toddler with a disability.**—The term “infant or toddler with a disability” has the meaning given the term in section 101(b).

(5) **Provider type.**—The term “provider type” means a type that is—

(A) a center-based child care provider;

(B) a family child care provider; or

(C) another non-center-based child care provider.
SEC. 203. SECRETARIAL RESERVATION.

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

SEC. 204. GRANTS.

(a) In General.—From the amounts appropriated to carry out this title that remain after the Secretary makes the reservation required under section 203, and under the authority of section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) and this section, the Secretary shall award to each lead agency a BASE Grant, without regard to the requirements in subparagraphs (C) and (E) of section 658E(c)(3), and in section 658G, of that Act (42 U.S.C. 9858e(c)(3), 9858e). Such grant shall be made from an amount allotted in accordance with section 658O of that Act (42 U.S.C. 9858m), excluding paragraphs (3) through (5) of subsection (a) of that section.

(b) Payments for Indian Children.—In accordance with section 658O of that Act, the Secretary may make BASE Grants to Indian Tribes or Tribal organizations for the planning and carrying out of programs or activities consistent with the objectives of this title.
SEC. 205. STATE APPLICATION.

To be eligible to receive a grant under section 204, a lead agency shall submit an application to the Secretary at such time, in such manner, and including such information as the Secretary may reasonably require, including—

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

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

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

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

(i) variations in the cost of child care services related to geographic area, provider type, size of provider, and age of child served;

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

(iii) costs associated with serving children with disabilities, including infants and toddlers with disabilities; and
(iv) costs associated with meeting group sizes and ratios necessary to support high-quality and inclusive child care services, including for infants and toddlers;

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

(D) if the lead agency uses a formula for awarding such a subgrant that is based on general cost estimates, base such estimates on the provider’s enrollment capacity rather than attendance;

(3) a description of how the lead agency will work with the eligible child care providers to improve the quality of child care services, which may include improving the State’s tiered system for recognizing and supporting the quality of child care services described in section 101(f)(3)(B); and

(4) a description of how the lead agency will use funds reserved under section 207(a)(1) to conduct widespread outreach and provide technical assistance to eligible child care providers (including family child care providers, providers with limited
administrative capacity, and providers whose primary language is not English), either directly or through child care resource and referral organizations, staffed family child care networks, or local governments, to ensure such providers are aware of the subgrants available under this title and are able to apply for and manage the resources provided through such subgrants.

SEC. 206. ADMINISTRATION.

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

(1) directly by the State’s lead agency; or

(2) under a grant or contract to provide such administration, through another State government agency, a local or regional child care resource and referral organization, a community development financial institution, another nonprofit intermediary with experience supporting child care providers, or another appropriate entity.

SEC. 207. STATE ACTIVITIES AND SUBGRANTS.

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

(1) reserve not more than 10 percent of the grant funds to administer subgrants, provide technical assistance and support to enable all provider
types to apply for, access, and manage the resources
provided through such subgrants and other sources
of public financial assistance available for the objec-
tives of this title, publicize the availability of the
subgrants, and carry out activities to increase the
supply of child care services, under this title; and
(2) with the remaining grant funds, make sub-
grants to eligible child care providers to carry out
the activities described in section 210.
(b) Subgrant Period.—The lead agency shall make
the subgrants for a period of 5 years.
(c) Payment Practices.—The lead agency shall
make the subgrant payments in advance, with necessary
adjustments on account of overpayments or underpay-
ments.
SEC. 208. Priority for Subgrants.
(a) In General.—In making subgrants under this
title, the lead agency shall give priority to eligible child
care providers that—
(1) provide child care services during nontradi-
tional or extended hours;
(2) provide child care services to infants and
toddlers;
(3) provide child care services to dual language
learners, children with disabilities, children experi-
encing homelessness, children in foster care, or chil-
dren from low-income families;

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

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

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

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

SEC. 209. ELIGIBLE CHILD CARE PROVIDER APPLICATION.

To be qualified to receive a subgrant under this title, an eligible child care provider shall submit to the cor-
responding lead agency, at such time and in such manner as the lead agency may reasonably require, an application containing each of the following:

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

(2) An assurance that the eligible child care provider accepts child care subsidies in the form of certificates, grants, or contracts as authorized under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.), or child care subsidies in the form of certificates, grants, or contracts under title I, as an acceptable form of payment, regardless of whether children who are the beneficiaries of the child care subsidies are actually enrolled.

(3) An assurance that the eligible child care provider, for the duration of the period of the grant under section 204, will be open and available to serve children unless temporarily closed due to or for a building safety issue or maintenance as a result of a building safety issue, widespread illness or a staff shortage, a routine closure or break due to a holiday or scheduled staff professional development session, or a state of emergency, major disaster, or emer-
gency within the meaning of section 658E(c)(2)(U)
of the Child Care Development Block Grant Act of
1990 (42 U.S.C. 9858c(c)(2)(U)).

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

(5) A description of how the eligible child care
provider will pay staff increased wages over the
course of the grant period including, at a minimum,
providing—

(A) annual cost of living adjustments; and

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

SEC. 210. USE OF FUNDS.

(a) In General.—An eligible child care provider
that receives a subgrant under this title—

(1) shall use at least 70 percent of subgrant
funds for child care personnel costs, including—
(A) wages (including salaries) or similar compensation for a person who is a staff member or any sole proprietor or independent contractor, aligned with wage standards; and

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

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

(2) may use the subgrant funds for costs of activities related to the provider’s program, consisting of—

(A) professional development and instructional coaching for staff involved in the direct education and care of children, and providing support for planning and instruction;

(B) providing recruitment and retention bonuses for staff;

(C) providing staff benefits, such as health insurance, paid leave (including parental, family, medical, sick, and bereavement leave, and including personal leave or vacation), and funds for retirement accounts;
(D) hiring staff, including conducting background checks, and including hiring staff to reduce staff-to-child ratios or substitute staff to support use of paid leave;

(E) paying for occupancy, including making payments for—

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

(ii) insurance, utilities, and maintenance;

(F) obtaining equipment, repairs, supplies, services, and training necessary to ensure compliance with applicable health, safety, educational, and quality requirements and to support high-quality, developmentally appropriate child care services, and achieving licensure as a child care provider;

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

(H) improving the quality of child care services in a way that is appropriate for child
development by provider type involved, and for
the age group of the children served; and

(I) providing inclusive and developmentally
appropriate care for children with disabilities,
including, implementing reasonable accommoda-
tions, making space more accessible, and pro-
viding additional staffing and coordinating early
intervention services provided through the pro-
vider’s program with early intervention services
provided through other early childhood pro-
grams.

(b) **Special Rule for States Participating in**
**Title I Program.**—Notwithstanding subsection (a) and
subject to the approval of the Secretary, a lead agency
of a State participating in the program established in title
I may make alternative uses of the funds received through
a grant made under section 204, if such funds support—

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

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

or

(3) initiatives to expand the supply of eligible
child care providers or improve the quality of child
care services provided by eligible child care providers.

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

**SEC. 211. REPORTING.**

(a) Lead Agency Reports.—Not later than 1 year after a lead agency has received a grant under section 204 and annually thereafter, the lead agency shall submit to the Secretary, in such manner and containing such information as the Secretary may require, a report that includes, at a minimum—

(1) the total number of eligible child care providers who applied for a subgrant under this title relative to the total number of eligible child care providers in the State, disaggregated by provider type, race and ethnicity of provider, and geographic area;

(2) the total number of eligible child care providers that received such a subgrant relative to the total number of eligible child care providers in the State, disaggregated by provider type, race and ethnicity of provider, and geographic area;

(3) information stating the lead agency’s methodology for determining the amounts of subgrants under section 207(a)(2);
(4) the average and range of the subgrant amounts made available by the lead agency, disaggregated by provider type, race and ethnicity of provider, and geographic area;

(5) the percentages, of the eligible child care providers that received such a subgrant, that—

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

(B) served dual language learners, children with disabilities, children experiencing homelessness, children in foster care, children from low-income families, or infants and toddlers;

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

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

(E) are concerns or organizations described in section 208(a)(6);

(6) the enrollment capacity of and average monthly attendance of children (by age) served by the eligible child care providers that received a subgrant;
(7) the average family tuition for an eligible child care provider that received such a subgrant, disaggregated by—

(A) age of the child served; and

(B) provider type;

(8) the average wages (including salaries), or similar compensation specified in section 210(a)(1)(A) of staff of eligible child care providers that received such a subgrant, disaggregated by provider type;

(9) the percentages, of the eligible child care providers that received such a subgrant, for each of the provider types;

(10) information about how the eligible child care providers used the funds received under such a subgrant, including how funds were used for child care personnel costs;

(11) information about how the lead agency used funds reserved under section 207(a)(1); and

(12) a description of how the lead agency publicized the availability of the subgrants, including through making applications and materials available in multiple languages, and provided technical assistance and support to ensure all provider types were able to apply for and access the subgrants.
(b) Reports to Congress.—The Secretary shall—

(1) submit an annual report to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives, summarizing the findings from the reports received under subsection (a); and

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

SEC. 212. SUPPLEMENT NOT SUPPLANT.

Amounts made available to carry out this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide child care services for eligible individuals.

SEC. 213. APPROPRIATIONS.

In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated to carry out this title $9,000,000,000 for each of fiscal years 2024 through 2029.
TITLE III—UNIVERSAL
PRESCCHOOL

SEC. 301. DEFINITIONS.

In this section:

(1) Child experiencing homelessness.—
The term “child experiencing homelessness” means an individual who is a homeless child or youth under section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).

(2) Child with a disability.—The term “child with a disability” has the meaning given the term in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

(3) Comprehensive services.—The term “comprehensive services” means services that are provided to children and their families, and that are health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary, within the meaning of section 636 of the Head Start Act (42 U.S.C. 9831).

(4) Dual language learner.—The term “dual language learner” means a child who is learning 2 or more languages at the same time, or a child who is learning a second language while continuing to develop the child’s first language.
(5) ELIGIBLE CHILD.—The term “eligible child” means a child who is age 3 or 4, on the date established by the applicable local educational agency for kindergarten entry.

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

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

(B) a Head Start agency or delegate agency funded under the Head Start Act (42 U.S.C. 9831 et seq.);

(C) a licensed center-based child care provider, licensed family child care provider, or network of licensed family child care providers; or

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

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

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

(9) L OCAL EDUCATIONAL AGENCY.—The term “local educational agency” has the meaning given in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(10) P OVERTY LINE.—The term “poverty line” means the poverty line defined and revised as described in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).

(11) S ECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

(12) S TATE.—The term “State” means each of the several States and the District of Columbia.

(13) T ERRITORY.—The term “territory” means each of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American
Samoa, and the Commonwealth of the Northern Mariana Islands.

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

SEC. 302. UNIVERSAL PRESCHOOL.

(a) APPROPRIATIONS FOR STATES.—In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for each of fiscal years 2024 through 2029, for payments to States, for carrying out this title (except provisions and activities covered by subsection (b)).

(b) ADDITIONAL APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services for fiscal year 2024, out of any money in the Treasury not otherwise appropriated—

(1) $2,500,000,000, to remain available until September 30, 2029, for carrying out payments to Indian Tribes and Tribal organizations for activities described in this title;
(2) $1,250,000,000, to remain available until September 30, 2029, for carrying out payments to the territories, to be distributed among the territories on the basis of their relative need, as determined by the Secretary in accordance with the objectives of this title, for activities described in this title;

(3) $300,000,000, to remain available until September 30, 2029, for carrying out payments to eligible local entities that serve children in families who are engaged in migrant or seasonal agricultural labor, for activities described in this title;

(4) $995,000,000, to remain available until September 30, 2029, for carrying out Federal activities to support the activities funded under this title, including administration, monitoring, technical assistance, and research, in fiscal years 2024 through 2029; and

(5) $20,000,000,000, to remain available until September 30, 2029, to carry out the program of grants to localities described in subsections (b) and (c) of section 306.

SEC. 303. PAYMENTS FOR STATE UNIVERSAL PRESCHOOL SERVICES.

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

(b) Payments for Fiscal Years 2024 Through 2029.—

(1) Preschool Services.—For each of fiscal years 2024 through 2029, the Secretary shall pay to each State with an approved State plan under subsection (e), an amount for that year equal to—

(A) 90 percent of the State’s expenditures in the year for preschool services provided under section 304, for fiscal year 2024;

(B) 90 percent of the State’s expenditures in the year for such preschool services, for fiscal year 2025;

(C) 80 percent of the State’s expenditures in the year for such preschool services, for fiscal year 2026;

(D) 75 percent of the State’s expenditures in the year for such preschool services, for fiscal year 2027;

(E) 65 percent of the State’s expenditures in the year for such preschool services, for fiscal year 2028; and
(F) 60 percent of the State’s expenditures in the year for such preschool services, for fiscal year 2029.

(2) STATE ACTIVITIES.—The Secretary shall pay to each State with an approved State plan under subsection (e) an amount for a fiscal year equal to 50 percent of the amount of the State’s expenditures for the activities described in subsection (c), and system-wide activities similar to those described in subsection (c) for the State’s entire birth through 5 year old early childhood system, except that in no case shall a payment for a fiscal year under this paragraph exceed the amount equal to 10 percent of the State’s expenditures described in paragraph (1) for such fiscal year.

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

(4) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—The Secretary shall make a payment
under paragraph (1) or (2) for a year on the basis of advance estimates of expenditures submitted by the State and such other investigation as the Secretary may find necessary, and shall reduce or increase the payment as necessary to adjust for any overpayment or underpayment for a previous year.

(e) **STATE ACTIVITIES.**—A State that receives a payment under subsection (b) shall carry out all of the following activities:

1. State administration of the State preschool program described in this section.
2. Supporting a continuous quality improvement system for providers of preschool services participating, or seeking to participate, in the State preschool program, through the use of data, research, monitoring, training, technical assistance, professional development, and coaching.
3. Providing outreach and enrollment support for families of eligible children.
4. Supporting data systems building.
5. Supporting staff of eligible providers through professional development and coaching, and supporting staff in pursuing credentials and degrees, including baccalaureate degrees.
(6) Supporting activities that ensure access to inclusive preschool programs for children with disabilities.

(7) Providing age-appropriate transportation services for children, which at a minimum shall include transportation services for children experiencing homelessness and children in foster care.

(8) Conducting or updating a statewide needs assessment of access to high-quality preschool services.

(d) Lead Agency.—The Governor of a State desiring for the State to receive a payment under this section shall designate a lead agency (such as a State agency or joint interagency office) for the administration of the State’s preschool program under this section.

(e) State Plan.—In order to be eligible for payments under this section, the Governor of a State shall submit a State plan to the Secretary for approval by the Secretary, in collaboration with the Secretary of Education, at such time, in such manner, and containing such information as the Secretary shall by rule require, that includes a plan for achieving universal, high-quality, free, inclusive, and mixed-delivery preschool services. Such plan shall include, at a minimum, each of the following:

(1) A certification that—
(A) the State has in place, or will have in place no later than 1 year after the State first receives funding under this section, developmentally appropriate, evidence-based preschool education standards that, at a minimum, are as rigorous as the standards specified in subparagraph (B) of section 641A(a)(1) of the Head Start Act (42 U.S.C. 9836a(a)(1)) and include program standards for class sizes and ratios; and

(B) the State will coordinate such standards with other early learning standards in the State.

(2) An assurance that the State will ensure—

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

(i) be universally available to all children in the State without any additional eligibility requirements; and

(ii) be high-quality, free, and inclusive; and

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

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

(ii) offer programming that meets the
duration requirements of at least 1,020 an-

ual hours;

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

(I) children experiencing home-
lessness (which, in the case of a child
attending a program provided by an
eligible provider described in section
301(6)(A), shall include immediate
enrollment for the child);

(II) children in foster care or
kinship care;

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

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

(V) dual language learners;
(iv) provide for salaries, and set schedules for salaries, for staff of providers in the State preschool program, including staff serving infants and toddlers employed by the same provider, that are equivalent to salaries of elementary school staff with similar credentials and experience;

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

(vi) require educational qualifications for teachers in the preschool program including, at a minimum, requiring that lead teachers in the preschool program have a baccalaureate degree in early childhood education or a related field by not later than 6 years after the date on which the State first receives funds under this section, except that—

(I) subject to subclause (II), the requirements under this clause shall not apply to individuals who were employed by an eligible provider or early education program for a cumulative 3 of the 5 years immediately preceding the date of enactment of this Act and
have the necessary content knowledge
and teaching skills for early childhood
educators, as demonstrated through
measures determined by the State;
and

(II) nothing in this section shall
require the State to lessen State re-
quirements for educational qualifica-
tions, in existence on the date of en-
actment of this Act, to serve as a
teacher in a State preschool program.

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

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

(A) support a mixed-delivery system for
any new slots funded under this section, includ-
ing by facilitating the participation of Head
1 Start programs and programs offered by licensed child care providers;
2
3 (B) ensure the State preschool program does not disrupt the stability of infant and toddler child care throughout the State;
4
5 (C) ensure adequate consultation with 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)) in the development of its plan, including consultation in how the State intends to distribute slots under subparagraph (E);
6
7 (D) partner with Head Start agencies to ensure the full utilization of Head Start programs within the State; and
8
9 (E) distribute new preschool slots and resources equitably among child care (including family child care) providers, Head Start agencies, and schools within the State.
10
11 (5) A certification that the State, in operating the program described in this section for a fiscal year—
12
13 (A) will not reduce the total preschool slots provided in State-funded preschool programs
from the number of such slots in the previous fiscal year; or

(B) if the number of eligible children identified in the State declines from the previous fiscal year, will maintain at least the previous year’s ratio of the total preschool slots described in subparagraph (A) to eligible children so identified.

(6) An assurance that the State will use funding provided under this section to ensure children with disabilities have access to and participate in inclusive preschool programs consistent with provisions in the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and a description of how the State will collaborate with entities carrying out programs under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), to support inclusive preschool programs.

(7) An assurance that the State will provide assistance under this section only to eligible providers that prohibit the use of suspension, expulsion, and aversive behavioral interventions in the State preschool program described in this section.

(9) A certification that the State will support the continuous quality improvement of programs providing preschool services under this title, including support through technical assistance, monitoring, and research.

(10) A certification that the State will ensure a highly qualified early childhood workforce to support the requirements of this title.
(11) An assurance that the State will meet the requirements of clauses (ii) and (iii) of section 658E(c)(2)(T) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)(T)), with respect to funding and assessments under this title.

(12) A certification that subgrant and contract amounts provided as described in section 304 will be sufficient to enable eligible providers to meet the requirements of this title, and will provide for increased payment amounts based on the criteria described in clauses (iv) and (v) of paragraph (2)(B).

(13) An agreement to provide to the Secretary such periodic reports, providing a detailed accounting of the uses of funding received under this section, as the Secretary may require for the administration of this section.

(f) Duration of the Plan.—Each State plan shall remain in effect for a period of not more than 3 years. Amendments to the State plan shall remain in effect for the duration of the plan.

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

(a) Subgrants and Contracts.—
(1) **IN GENERAL.**—A State that receives a payment under section 303(b) for a fiscal year shall use amounts provided through the payment to pay the costs of subgrants to, or contracts with, eligible providers to operate universal, high-quality, free, and inclusive preschool programs (which State-funded programs may be referred to in this section as “local preschool programs”) through the State preschool program in accordance with subsection (c). A State shall reduce or increase the amounts provided under such subgrants or contracts if needed to adjust for any overpayment or underpayment described in section 303(b)(4).

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

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

(b) **Enhanced Payments for Comprehensive Services.**—In awarding subgrants or contracts under this subsection and in addition to meeting the requirements of subsection (a)(2), the State shall award subgrants or contracts with enhanced payments to eligible providers that offer local preschool programs funded under this section to a high percentage of low-income children to support comprehensive services.

(c) **Establishing and Expanding Universal Preschool Programs.**—

   (1) **Establishing and Expanding Universal Preschool Programs in High-Need Communities.**—In awarding subgrants or contracts under this section, the State shall first prioritize establishing and expanding universal local preschool programs within and across high-need communities by awarding subgrants or contracts to eligible providers operating within and across, or with capacity to operate within and across, such high-need communities. The State shall—

   (A) use a research-based methodology approved by the Secretary to identify such high-need communities, as determined by—
(i) the rate of poverty in the community;

(ii) rates of access to high-quality preschool within the community; and

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

(B) distribute funding for preschool services under this section within such a high-need community so that a majority of children in the community are offered such preschool services before the State establishes and expands preschool services in communities with lower levels of need.

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

(A) of personnel (including classroom and administrative personnel), including compensation and benefits;

(B) associated with implementing the State’s preschool standards, providing curriculum supports, and meeting early learning and development standards;
(C) of professional development, teacher supports, and training;

(D) of implementing and meeting developmentally appropriate health and safety standards (including licensure, where applicable), teacher to child ratios, and group size maximums;

(E) of materials, equipment, and supplies;

and

(F) of rent or a mortgage, utilities, building security, indoor and outdoor maintenance, and insurance.

(d) Establishing and Expanding Universal Preschool Programs in Additional Communities.—Once a State that receives a payment under section 303(b) meets the requirements of subsection (c) with respect to establishing and expanding local preschool programs within and across high-need communities, the State shall use funds from such payment to enroll and serve children in local preschool programs, as described in such subsection, in additional communities in accordance with the metrics described in subsection (c)(1)(A). Such funds shall be used for the activities described in subparagraphs (A) through (F) of subsection (c)(2).
SEC. 305. PAYMENTS FOR UNIVERSAL PRESCHOOL SERVICES TO INDIAN TRIBES AND TERRITORIES.

(a) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

(1) IN GENERAL.—For each of fiscal years 2024 through 2029, from the amount appropriated for Indian Tribes and Tribal organizations under section 302(b)(1), the Secretary shall make payments to Indian Tribes and Tribal organizations with an application approved under paragraph (2), and the Tribes and Tribal organizations shall be entitled to such payments for the purpose of carrying out the preschool program described in this title, consistent, to the extent practicable as determined by the Secretary, with the requirements applicable to States.

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

(b) TERRITORIES.—

(1) IN GENERAL.—For each of fiscal years 2024 through 2029, from the amount appropriated for territories under section 302(b)(2), the Secretary shall make payments to the territories with an application approved under paragraph (2), and the terri-
tories shall be entitled to such payments, for the purpose of carrying out the preschool program described in this title, consistent, to the extent practicable as determined by the Secretary, with the requirements applicable to States.

(2) Applications.—A territory seeking a payment under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may specify.

(c) Lead Agency.—The head of an Indian Tribe or territory desiring for the Indian Tribe or a related Tribal organization, or territory, to receive a payment under this section shall designate a lead agency (such as a tribal or territorial agency or joint interagency office) for the administration of the preschool program of the Indian Tribe or territory, under this section.

SEC. 306. GRANTS TO LOCALITIES AND HEAD START EXPANSION IN NONPARTICIPATING STATES.

(a) Eligible Locality Defined.—In this section, the term “eligible locality” means a city, county, or other unit of general local government, a local educational agency, or a Head Start agency.

(b) Grants to Localities.—
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(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Education, shall use funds reserved in section 302(b)(5) to award local universal preschool grants, as determined by the Secretary of Health and Human Services, to eligible localities located in States that have not received payments under section 303. The Secretary shall award the grants to eligible localities in a State from the allotment made for that State under paragraph (2). The Secretary shall specify the requirements for an eligible locality to conduct a preschool program under this section which shall, to the greatest extent practicable, be consistent with the requirements applicable to States under this title, for a universal, high-quality, free, and inclusive preschool program.

(2) ALLOTMENTS.—For each State described in paragraph (1), the Secretary shall allot for the State for a fiscal year an amount that bears the same relationship to the funds appropriated under section 302(b)(5) for the fiscal year as the number of children from families with family incomes at or below 200 percent of the poverty line, and who are under the age of 6, in the State bears to the total number of all such children in all States described in paragraph (1).
(3) APPLICATION.—To receive a grant from the corresponding State allotment under this section, an eligible locality shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The requirements for the application shall, to the greatest extent practicable, be consistent with the State plan requirements applicable to States under this title.

(c) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

(1) IN GENERAL.—The Secretary shall use funds appropriated under section 302(b)(5), to make awards to Head Start agencies in a State described in subsection (b)(1) to carry out the purposes of the Head Start Act (42 U.S.C. 9831 et seq.) in such State.

(2) RULE.—For purposes of carrying out the Head Start Act in circumstances not involving awards under this subsection, funds awarded under paragraph (1) shall not be included in the calculation of a “base grant” as such term is defined in section 640(a)(7)(A) of the Head Start Act (42 U.S.C. 9835(a)(7)(A)).
(3) DEFINITION.—In this subsection, the term “Head Start agency” means an entity designated or eligible to be designated as a Head Start agency under section 641(a)(1) of the Head Start Act (42 U.S.C. 9836(a)(1)) or as an Early Head Start agency (by receiving a grant) under section 645A(a) of such Act (42 U.S.C. 9840a(a)).

(d) PRIORITY FOR SERVING UNDERSERVED COMMUNITIES.—In making determinations to award a grant or make an award under this section, the Secretary shall give priority to entities serving communities with a high percentage of children from families with family incomes at or below 200 percent of the poverty line.

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

For purposes of calculating the amount of the non-Federal share, as determined under section 303(b)(3), relating to a payment under section 303(b), a State’s non-Federal share—

(1) may be in cash or in kind, fairly evaluated, including facilities or property, equipment, or services;

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

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

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

(5) shall count not more than 100 percent of the State’s current spending on prekindergarten programs, calculated as the average amount of such spending by the State for fiscal years 2021, 2022, and 2023, toward the State’s non-Federal share.

SEC. 308. MAINTENANCE OF EFFORT.

(a) IN GENERAL.—If a State reduces its combined fiscal effort per child for the State preschool program (whether a publicly funded preschool program or a program under this title) or through State supplemental assistance funds for Head Start programs assisted under the Head Start Act, or through any State spending on early childhood programs or preschool services for any fiscal year that a State receives payments under section 303(b) (referred to in this paragraph as the “reduction fiscal year”) relative to the previous fiscal year, the Secretary,
in collaboration with the Secretary of Education, shall re-
duce support for such State under such subsection by the
same amount as the total reduction in that State fiscal
effort for such reduction fiscal year.
(b) WAIVER.—The Secretary, in collaboration with
the Secretary of Education, may waive the requirements
of subsection (a) if—

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

(2) due to the circumstance of a State requiring
reductions in specific programs, including early
childhood education programs, the State presents to
the Secretaries a justification and demonstration
why other programs could not be reduced and how
early childhood education programs in the State will
not be disproportionately harmed by such State re-
ductions.
SEC. 309. SUPPLEMENT NOT SUPPLANT.

Funds received under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended on prekindergarten programs in the State on the date of enactment of this Act, calculated as the average amount of such Federal, State, and local public funds expended for fiscal years 2021, 2022, and 2023.

SEC. 310. NONDISCRIMINATION PROVISIONS.

The following provisions of law shall apply to any program or activity that receives funds provided under this title:

1. Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.).
2. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

SEC. 311. MONITORING AND ENFORCEMENT.

(a) REVIEW OF COMPLIANCE WITH REQUIREMENTS AND STATE PLAN.—The Secretary shall review and monitor compliance of States, territories, Tribal entities, and local entities with this title and State compliance with the State plan described in section 303(e), including a process...
for progress updates on the requirements described in section 303(e)(1).

(b) Issuance of Rule.—The Secretary shall establish by rule procedures for—

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

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

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

SEC. 312. REPORTING.

(a) In General.—Each State that receives a payment under section 303 shall prepare an annual report, in such manner and containing such information as the Secretary of Health and Human Services may reasonably require.

(b) Contents.—A report prepared under subparagraph (a) shall contain, at a minimum—

(1) a description of the manner in which the State has used the funds made available through the payment and a report of the expenditures made with the funds;
(2) a summary of the State’s progress toward providing access to high-quality preschool programs for eligible children;

(3) the number and percentage of children in the State participating in eligible preschool programs, disaggregated by race, ethnicity, family income, child age, disability, and whether the children are homeless children, children in foster care, or dual language learners;

(4) data on the number and percentage of children in the State participating in public kindergarten programs, disaggregated by race, family income, child age, disability, and whether the children are homeless children, children in foster care, or dual language learners, with information on whether such programs are offered—

(A) for a full-day; and

(B) at no cost to families;

(5) data on the kindergarten readiness of children across the State;

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

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

### TITLE IV—HEAD START

#### EXTENDED DURATION

**SEC. 401. EXTENDED DURATION.**

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

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

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

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“SEC. 657C. EXTENDED DURATION.

“(a) **IN GENERAL.**—The Secretary shall make grants to Head Start agencies (including Early Head Start agencies) funded under this subchapter to enable such agencies—

“(1) to provide access to a full school year and 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 services 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.

“(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—

“(A) evidence of—

“(i) the number and percentage of slots—

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

“(aa) that are currently funded (as of the date of submission of the application); and

“(bb) in which services are provided for at least the equivalent of 1,020 hours per year; and

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

“(aa) that are currently funded (as of that date); and
“(bb) in which services are provided for at least the equivalent of 1,380 hours per year; and

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

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

“(II) in which services are provided for at least the equivalent of 1,380 hours per year;

“(B) a description of an approach, using the current community-wide strategic planning and needs assessment described in section 640(g)(1)(C) and current program schedule (current as of the date of submission of the application), that transitions all of the agency’s Head Start programs to a full school day, full school year program schedule; and

“(C) a budget justification that estimates the supplemental funding necessary to provide for incremental ongoing operating costs for the extended hours of service under such a program schedule for the current enrollment in the agency’s Head Start programs.
“(2) Exceptions.—

“(A) Migrant and seasonal Head Start.—

“(i) In general.—A migrant and seasonal Head Start agency may apply for a grant described in subsection (a) without meeting the requirements specified in paragraph (1) to ensure continuous Head Start services are provided to children enrolled in a migrant and seasonal Head Start program. To be eligible to receive the grant, the agency shall submit an application at such time and in such manner as the Secretary may require.

“(ii) Priority.—In making grants to applicants described in clause (i), the Secretary shall give priority to a migrant and seasonal Head Start agency operating for fewer than 8 months per year.

“(B) Full-day, full-year Head Start Agencies.—

“(i) In general.—A Head Start agency (including an Early Head Start agency) that certifies to the Secretary that it is meeting the full-day, full-year need
within its community may apply for a grant to enhance the quality of services provided to children enrolled in its Head Start program (including its Early Head Start program) in accordance with subsection (c)(2).

“(ii) APPLICATION.—A Head Start agency (including Early Head Start agency) that meets the requirements of clause (i) shall submit an application, which shall include—

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

“(II) how such uses of funds relate to the communitywide strategic planning and needs assessment described under section 640(g)(1)(C).

“(c) USE OF FUNDS.—

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

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

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

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

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

“(2) ENHANCING PROGRAM QUALITY.—A Head
Start agency (including an Early Head Start agen-
cy) that meets the requirements of subsection (a)(3)
shall use funds for the activities authorized under
section 640(a)(5)(B).

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

“(d) RESERVATIONS.—

“(1) ACTIVITIES.—From the total amount ap-
propriated to carry out this section, the Secretary
shall—
“(A) for making grants for the activities described in subsection (c)(1)(A), reserve $4,000,000,000 of the funds appropriated for fiscal year 2024; and

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

“(i) $833,000,000 of the funds appropriated for fiscal year 2024;

“(ii) $852,000,000 of the funds appropriated for fiscal year 2025; and

“(iii) $872,000,000 of the funds appropriated for fiscal year 2026.

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

“(3) MIGRANT OR SEASONAL HEAD START PROGRAMS.—From the amount appropriated to carry out this section for a fiscal year and reserved under paragraph (1)(B), the Secretary shall reserve 4.5 percent for migrant or seasonal Head Start programs.
“(e) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section—

“(1) $4,833,000,000 for fiscal year 2024;

“(2) $852,000,000 for fiscal year 2025; and

“(3) $872,000,000 for fiscal year 2026.

“(f) Definitions.—In this section:

“(1) Full school day; full school year.—The terms ‘full school day’ and ‘full school year’ mean such a day and year, respectively, within the meaning of the Head Start Program Performance standards issued under section 641A(a).

“(2) Migrant and seasonal Head Start agency.—The term ‘migrant and seasonal Head Start agency’ means an agency that is funded under this subchapter to provide a migrant and seasonal Head Start program.”.

(b) Conforming Amendments.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended—

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

(2) in subsection (g)(3)(A)—
(A) by striking “amount appropriated” each place it appears and inserting “amountappropriated under section 639”;

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

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

SEC. 402. APPROPRIATION FOR WAGES.

(a) APPROPRIATION.—There is authorized to be ap-
propriated, and there is appropriated, out of any funds in the Treasury not otherwise appropriated, $2,700,000,000 for fiscal year 2024 and each subsequent fiscal year, to carry out subsection (b).

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

(1) receive wages that are comparable to wages for elementary educators with similar credentials and experience in the State; or
(2) at a minimum, receive a living wage.

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