

AMENDMENT

OFFERED BY MR. SCOTT of VIRGINIA

At the end, add the following (and make such technical and conforming changes as may be appropriate):

1 **TITLE II—BUILDING AN AFFORD-**
2 **ABLE SYSTEM FOR EARLY**
3 **EDUCATION GRANTS**

4 **SEC. 201. PURPOSES.**

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

8 (1) promoting the stability of the child care sec-
9 tor by providing a source of stable funding to eligible
10 child care providers to help offset their operating ex-
11 penses;

12 (2) supporting sustained and increased wages
13 for early childhood educators or other staff of eligi-
14 ble child care providers, in order to stabilize and
15 grow the child care workforce;

16 (3) expanding the supply and capacity of eligi-
17 ble child care providers to ensure working families
18 have a range of high-quality, affordable child care

1 options, in a variety of settings, that meet their
2 unique needs; and

3 (4) supporting access to child care services for
4 communities facing a particular shortage of child
5 care options, including child care services for infants
6 and toddlers, child care services during nontradi-
7 tional or extended hours, and inclusive child care
8 services for children with disabilities.

9 **SEC. 202. DEFINITIONS.**

10 In this title:

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

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

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

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

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

6 (4) INFANT OR TODDLER WITH A DIS-
7 ABILITY.—The term “infant or toddler with a dis-
8 ability” has the meaning given the term in section
9 101(b).

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

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

13 (B) a family child care provider; or

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

16 **SEC. 203. SECRETARIAL RESERVATION.**

17 From the funds appropriated to carry out this title,
18 the Secretary shall reserve not more than 3 percent for
19 the Federal administration of grants described in section
20 204, which may include providing technical assistance to
21 the lead agencies.

22 **SEC. 204. GRANTS.**

23 (a) IN GENERAL.—From the amounts appropriated
24 to carry out this title that remain after the Secretary
25 makes the reservation required under section 203, and

1 under the authority of section 658O of the Child Care and
2 Development Block Grant Act of 1990 (42 U.S.C. 9858m)
3 and this section, the Secretary shall award to each lead
4 agency a BASE Grant, without regard to the requirements
5 in subparagraphs (C) and (E) of section 658E(c)(3), and
6 in section 658G, of that Act (42 U.S.C. 9858c(c)(3),
7 9858e). Such grant shall be made from an amount allotted
8 in accordance with section 658O of that Act (42 U.S.C.
9 9858m), excluding paragraphs (3) through (5) of sub-
10 section (a) of that section.

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

16 **SEC. 205. STATE APPLICATION.**

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

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

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

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

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

9 (i) variations in the cost of child care
10 services related to geographic area, pro-
11 vider type, size of provider, and age of
12 child served;

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

16 (iii) costs associated with serving chil-
17 dren with disabilities, including infants and
18 toddlers with disabilities; and

19 (iv) costs associated with meeting
20 group sizes and ratios necessary to support
21 high-quality and inclusive child care serv-
22 ices, including for infants and toddlers;

23 (C) account for the cost of attracting,
24 training, and retaining a qualified and skilled
25 workforce, which shall include at a minimum,

1 supporting increased wages for all staff of the
2 provider, as described in section 209(5); and

3 (D) if the lead agency uses a formula for
4 awarding such a subgrant that is based on gen-
5 eral cost estimates, base such estimates on the
6 provider's enrollment capacity rather than at-
7 tendance;

8 (3) a description of how the lead agency will
9 work with the eligible child care providers to improve
10 the quality of child care services, which may include
11 improving the State's tiered system for recognizing
12 and supporting the quality of child care services de-
13 scribed in section 101(f)(3)(B); and

14 (4) a description of how the lead agency will
15 use funds reserved under section 207(a)(1) to con-
16 duct widespread outreach and provide technical as-
17 sistance to eligible child care providers (including
18 family child care providers, providers with limited
19 administrative capacity, and providers whose pri-
20 mary language is not English), either directly or
21 through child care resource and referral organiza-
22 tions, staffed family child care networks, or local
23 governments, to ensure such providers are aware of
24 the subgrants available under this title and are able

1 to apply for and manage the resources provided
2 through such subgrants.

3 **SEC. 206. ADMINISTRATION.**

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

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

7 (2) under a grant or contract to provide such
8 administration, through another State government
9 agency, a local or regional child care resource and
10 referral organization, a community development fi-
11 nancial institution, another nonprofit intermediary
12 with experience supporting child care providers, or
13 another appropriate entity.

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

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

17 (1) reserve not more than 10 percent of the
18 grant funds to administer subgrants, provide tech-
19 nical assistance and support to enable all provider
20 types to apply for, access, and manage the resources
21 provided through such subgrants and other sources
22 of public financial assistance available for the objec-
23 tives of this title, publicize the availability of the
24 subgrants, and carry out activities to increase the
25 supply of child care services, under this title; and

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

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

6 (c) PAYMENT PRACTICES.—The lead agency shall
7 make the subgrant payments in advance, with necessary
8 adjustments on account of overpayments or underpay-
9 ments.

10 **SEC. 208. PRIORITY FOR SUBGRANTS.**

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

14 (1) provide child care services during nontradi-
15 tional or extended hours;

16 (2) provide child care services to infants and
17 toddlers;

18 (3) provide child care services to dual language
19 learners, children with disabilities, children experi-
20 encing homelessness, children in foster care, or chil-
21 dren from low-income families;

22 (4) provide child care services to children whose
23 families received subsidies under the Child Care and
24 Development Block Grant Act of 1990 (42 U.S.C.

1 9857 et seq.) or under title I, as applicable, for the
2 child care services;

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

8 (6) are small business concerns, as defined in
9 section 3 of the Small Business Act (15 U.S.C.
10 632), or nonprofit organizations that are described
11 in section 501(c)(3) of the Internal Revenue Code of
12 1986 and exempt from taxation under section
13 501(a) of such Code.

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

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

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

1 (1) A description of how the eligible child care
2 provider meets the priority requirements in section
3 208, if applicable.

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

14 (3) An assurance that the eligible child care
15 provider, for the duration of the period of the grant
16 under section 204, will be open and available to
17 serve children unless temporarily closed due to or for
18 a building safety issue or maintenance as a result of
19 a building safety issue, widespread illness or a staff
20 shortage, a routine closure or break due to a holiday
21 or scheduled staff professional development session,
22 or a state of emergency, major disaster, or emer-
23 gency within the meaning of section 658E(c)(2)(U)
24 of the Child Care Development Block Grant Act of
25 1990 (42 U.S.C. 9858c(c)(2)(U)).

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

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

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

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

17 **SEC. 210. USE OF FUNDS.**

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

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

22 (A) wages (including salaries), or similar
23 compensation for a person who is a staff mem-
24 ber or any sole proprietor or independent con-
25 tractor, aligned with wage standards; and

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

3 (ii) graduated pay increases based on a
4 staff member's credentials, experience, and job
5 responsibilities, including, for a provider with
6 15 or more staff, a wage ladder based on the
7 credentials, experience, and responsibilities; and

8 (2) may use the subgrant funds for costs of ac-
9 tivities related to the provider's program, consisting
10 of—

11 (A) professional development and instruc-
12 tional coaching for staff involved in the direct
13 education and care of children, and providing
14 support for planning and instruction;

15 (B) providing recruitment and retention
16 bonuses for staff;

17 (C) providing staff benefits, such as health
18 insurance, paid leave (including parental, fam-
19 ily, medical, sick, and bereavement leave, and
20 including personal leave or vacation), and funds
21 for retirement accounts;

22 (D) hiring staff, including conducting
23 background checks, and including hiring staff
24 to reduce staff-to-child ratios or substitute staff
25 to support use of paid leave;

1 (E) paying for occupancy, including mak-
2 ing payments for—

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

5 (ii) insurance, utilities, and mainte-
6 nance;

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

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

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

23 (I) providing inclusive and developmentally
24 appropriate care for children with disabilities,
25 including implementing reasonable accommoda-

1 tions, making space more accessible, and pro-
2 viding additional staffing and coordinating early
3 intervention services provided through the pro-
4 vider’s program with early intervention services
5 provided through other early childhood pro-
6 grams.

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

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

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

19 (3) initiatives to expand the supply of eligible
20 child care providers or improve the quality of child
21 care services provided by eligible child care pro-
22 viders.

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

1 **SEC. 211. REPORTING.**

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

8 (1) the total number of eligible child care pro-
9 viders who applied for a subgrant under this title
10 relative to the total number of eligible child care pro-
11 viders in the State, disaggregated by provider type,
12 race and ethnicity of provider, and geographic area;

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

19 (3) information stating the lead agency’s meth-
20 odology for determining the amounts of subgrants
21 under section 207(a)(2);

22 (4) the average and range of the subgrant
23 amounts made available by the lead agency,
24 disaggregated by provider type, race and ethnicity of
25 provider, and geographic area;

1 (5) the percentages, of the subgrant recipients,
2 that—

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

5 (B) served dual language learners, children
6 with disabilities, children experiencing homeless-
7 ness, children in foster care, children from low-
8 income families, or infants and toddlers;

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

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

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

18 (6) the enrollment capacity of and average
19 monthly attendance of children (by age) served by
20 the subgrant recipients;

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

23 (A) age of the child served; and

24 (B) provider type;

1 (8) the average wages (including salaries), or
2 similar compensation specified in section
3 210(a)(1)(A) of staff of a subgrant recipient,
4 disaggregated by provider type;

5 (9) the percentages of subgrant recipients, for
6 each of the provider types;

7 (10) the percentage of subgrant recipients that
8 have staff members that are represented by labor or-
9 ganizations;

10 (11) information about how the subgrant recipi-
11 ents used the funds received under such a subgrant,
12 including how funds were used for child care per-
13 sonnel costs;

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

16 (13) a description of how the lead agency pub-
17 licized the availability of the subgrants, including
18 through making applications and materials available
19 in multiple languages, and provided technical assist-
20 ance and support to ensure all provider types were
21 able to apply for and access the subgrants; and

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

1 (B) the percentage of all children served by
2 subgrant recipients that are subgrant recipients de-
3 scribed in subparagraph (A).

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

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

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

15 **SEC. 212. SUPPLEMENT NOT SUPPLANT.**

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

20 **SEC. 213. APPROPRIATIONS.**

21 There are authorized to be appropriated to carry out
22 this title such sums as necessary for fiscal years 2026
23 through 2031.

