

## *The Child Care for Working Families Act of 2025*

### **Section 1 – Short Title**

This Act is called the “Child Care for Working Families Act.”

### **TITLE I – Birth Through Five Child Care and Early Learning Program**

#### **Section 101– Birth Through Five Child Care and Early Learning Program**

##### **Definitions**

Provides that definitions from section 658P of the “Child Care and Development Block Grant Act of 1990” (CCDBG), except as otherwise specified, will apply to the entitlement. Definitions for “apprenticeship,” “child care certificate,” “child experiencing homelessness,” “child with a disability,” “eligible activity,” “eligible child,” “eligible child care provider,” “FMAP,” “family child care provider,” “inclusive care,” “infant or toddler,” “infant or toddler with a disability,” “lead agency,” “participant,” “state,” and “territory” are provided.

The definition of “eligible child” outlines program eligibility. In order to be eligible, a child must be less than 6 years old and reside with a parent or parents who participate in an eligible activity.

Eligible activities include:

- Full-time or part-time employment;
- Self-employment;
- Job search activities;
- Job training, including a registered apprenticeship program;
- Classes, a course of study at an institution of higher education, classes toward an equivalent of a high school diploma recognized by State law, or English as a second language classes;
- Health treatment (including mental health and substance use treatment) for a condition that prevents the parent from participating in other eligible activities;
- Activities to prevent child abuse and neglect, or family violence prevention or intervention activities;
- Employment and training activities under the Workforce Innovation and Opportunity Act (WIOA); and
- Taking leave under the Family and Medical Leave Act of 1993 (or equivalent provisions for Federal employees), a State or local paid or unpaid leave law, or a program of employer-provided leave.

Certain children are “categorically eligible,” including children with disabilities, infants and toddlers with disabilities, children experiencing homelessness, children in foster care, children in kinship care, children in families eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children

(WIC), children in a household that is eligible to receive assistance through the Supplemental Nutrition Assistance Program (SNAP), or children in a family that is eligible to receive assistance through the program of block grants to States for Temporary Assistance for Needy Families (TANF), and children who are receiving, or need to receive, child protective services. In addition, children who live with a parent who is over the age of 65, a parent employed by an eligible child care provider, or a parent enrolled in high school and who has not exceeded the maximum age of high school enrollment are also “categorically eligible.” Children who received services under CCDBG and meet the eligibility criteria under this Act are also deemed eligible and may continue care with the same provider. An eligible child, once determined eligible, does not need to reverify eligibility until they turn age 6 or enter kindergarten, whichever comes first

An eligible child care provider is defined as a center-based child care provider, a family child care provider, or other child care provider that is licensed (within 3.5 years after the State receives funds under this section), participates in the State’s tiered system for measuring quality of child care services (within 4 years), and meets the applicable requirements under the Child Care and Development Block Grant (CCDBG).

### **Appropriations**

Appropriates such sums as may be necessary to the Department of Health and Human Services for each of fiscal years 2026 through 2031 for purposes of making payments to States, territories, Indian Tribes, and Tribal organizations to carry out activities related to the entitlement. In addition, the title appropriates \$20 billion for fiscal year 2026, to remain available through September 30, 2031, to carry out a program of grants to localities and awards to Head Start agencies. Finally, the title appropriates \$1.3 billion for fiscal year 2026, to remain available through September 30, 2031, for monitoring, enforcement, and federal administration.

### **Establishment of Birth Through Five Child Care and Early Learning Entitlement Program**

Authorizes the Secretary to administer a child care and early learning entitlement program under which eligible children in a State, territory, or Indian Tribe, or served by a Tribal organization with an approved application, are provided the opportunity to obtain high-quality child care services. Also establishes a requirement that beginning on October 1, 2026, every child who applies for assistance and is determined to be eligible by a lead agency (or other designated entity) shall be entitled to receive assistance for direct child care services, subject to the requirements and limitations of this section.

### **Lead Agency**

The Governor of a State or the head of a territory or Indian Tribe is directed to designate a lead agency (such as a State agency or joint interagency office) to administer the child care program carried out under this section.

### **Application and State Plan**

Requires states to submit for approval by the Secretary a state plan to be implemented during a period of not more than three years.

- Requires States to certify that payment rates for the provision of direct child care services will be sufficient to meet the cost of care (including fixed costs such as rent, mortgage, or salaries) and will be set in accordance with a statistically valid and reliable cost estimation model or cost study approved by the Secretary. Payment rates must correspond to differences in quality based on the State’s tiered system for recognizing and supporting the quality of child care services.

- Requires States to demonstrate that the cost estimation model or study was developed after consulting with relevant stakeholders, including the State Advisory Council on Early Childhood Education and Care, Head Start collaboration directors, local program administrators, family child care associations, labor organizations, parents of children with disabilities, and other relevant experts.
- Requires States to publish a report of estimated child care costs within 30 days of finalizing the cost model and to provide a 60-day public comment period before submission. The report must include how wage requirements were incorporated, and the State must establish a system for public comment and appeals.
- Requires States to certify that payment rates will (1) be set using the most recent cost model, (2) ensure providers at all quality tiers are adequately paid, and (3) support providers in progressing to higher tiers. Payment rates must ensure that staff receive at least a living wage and wages equivalent to similarly credentialed elementary educators, with annual cost-of-living adjustments.
- Requires States to update their cost model at least once every three years.
- Requires States to implement or revise their tiered system for measuring quality within three years of receiving funds. The system must be developed with input from providers, families, and child care professionals.
- Requires that the highest tier meet, at minimum, the Head Start Program Performance Standards or other evidence-based standards approved by the Secretary.
- Requires the tiered system to include quality indicators appropriate for different provider types, age groups, and care during nontraditional hours, and to offer supports to help providers improve quality.
- Requires States to implement policies within three years to ensure all eligible children can access care at the highest tier within 10 years of enactment.
- Requires States to report disaggregated data on child care providers by quality tier, provider language, and demographics of children served.
- Requires States to establish a wage ladder within three years that ensures at least a living wage for all child care staff and parity with elementary educators.
- Requires States to use a sliding fee scale for family copayments as follows:
  - Families at or below 85 percent of the State Median Income (SMI): no copayment;
  - Between 85–100 percent of SMI: 0–2 percent of income;
  - Between 100–125 percent of SMI: 2–4 percent of income;
  - Between 125–150 percent of SMI: 4–7 percent of income;
  - Above 150 percent of SMI: capped at 7 percent of income.
- States must publish, by family size, the corresponding income ranges and copayment amounts for each bracket.
- Once the cost estimation model is in place, providers receiving financial assistance under this section may not charge families more than the copayment.
- Requires States to ensure that children who receive assistance will do so for at least 12 months (unless they age out), and that redetermination supports stability and minimizes barriers to continued care.
- Requires States to prioritize access and quality improvements for underserved populations, including low-income children, infants and toddlers, children with disabilities, dual language learners, children experiencing homelessness, children in foster or kinship care, children needing care during nontraditional hours, and other vulnerable groups.

- Requires States to certify that they will apply relevant CCDBG policies and procedures under section 658E(c)(2) and section 658H to services provided under this title.
- Requires States to demonstrate consultation with stakeholders (including labor organizations and providers serving underserved populations) in revising licensing standards within 2.5 years. Licensing must accommodate diverse provider types and offer a clear path to licensure for currently exempt CCDBG providers.
- Requires States to describe how they will use quality grant funds to help providers achieve licensure, including paying for background checks, health screenings, and training.
- Requires States to ensure that eligible providers prohibit suspensions, expulsions, and aversive behavioral interventions, and provide training and resources to support these policies.
- Requires States to assist eligible providers in implementing multi-tiered systems of support (such as mental health consultation and trauma-informed care) to promote children’s social-emotional development and reduce behavioral challenges.
- Requires States to describe how the lead agency will ensure a low-barrier enrollment and re-enrollment process that minimizes burden for families with diverse characteristics.
- Requires States to certify that beginning no later than October 1, 2026, they will provide assistance to all eligible children from families with incomes at or below 85 percent of SMI before expanding access to higher-income families.

## **Payments**

Requires the Secretary to pay each State, with an approved plan, an amount equal to 90 percent of expenditures for direct child care services for eligible children. The section also requires the Secretary to pay the federal share (FMAP) of funding for quality and supply of child care services quarterly to approved entities, as well as the federal share of administrative funding (50 percent). The section also provides for advance payments or adjustments for under- or overpayments as the Secretary finds necessary. The section also clarifies that funding for territories and tribes will be allocated on the basis of relative need.

## **Use of Funds**

Requires States to use funds to provide direct child care services (on a sliding fee scale basis), to improve the quality and supply of child care services—including increased wages for staff, facilities grants, and supports for licensure—and for State administration.

States must reserve between 5 and 10 percent of funds for quality child care activities. These activities include start-up grants and supply expansion grants to support providers in covering initial or growth-related costs, meeting health and safety standards, achieving licensure, and advancing in the State’s tiered system for recognizing and supporting the quality of child care services. States may also provide quality grants to help providers reach or make progress toward the highest tier of quality, increase wages for staff, and support payment of fixed operating costs.

Facilities grants may be used for remodeling, renovation, repair, construction, or major permanent improvements to buildings or facilities. However, funds may not be used for buildings or facilities primarily used for sectarian instruction or religious worship.

States must also use quality funds for professional development for the child care workforce; to develop or revise the State’s tiered quality system; to improve the supply and quality of developmentally appropriate and inclusive child care; and to increase access for underserved populations and vulnerable

children. Additional uses include family outreach and enrollment support; assisting providers in eliminating suspension, expulsion, and aversive behavioral interventions; strengthening mental health services and multitiered systems of support, including trauma-informed care; and improving licensing systems by identifying and removing barriers to licensure. States must also provide technical assistance—coordinated with local governments, where applicable—particularly on licensure and quality improvement.

### **Grants to Localities and Awards to Head Start Programs**

Requires the Secretary to award Birth Through Five Child Care and Early Learning Grants to cities, counties, and other units of general local government located in states that have not otherwise received payments under the entitlement on the basis of the share of children under six years of age living in families below 200 percent of the poverty line as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902) or based on requirements specified by the Secretary. Funds shall also be used to make awards to Head Start agencies carry out the Head Start Act, with preference given based on entities serving a high percentage of individuals from underserved populations.

### **Program Requirements**

Applies current law nondiscrimination protections (including Title IX of the Education Amendments of 1972, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and The Americans with Disabilities Act of 1990), maintenance of effort requirements, and supplement not supplant requirements to the Birth Through Five Child Care and Early Learning Grants, as well as defines allowable sources of non-federal share dollars and required periodic reports for entities receiving payments.

### **Monitoring and Enforcement**

Requires the Secretary to review and monitor compliance of States, territories, Tribal entities, and local entities with the entitlement, as well as compliance with the transitional or full state plan.

### **Federal Administration**

Requires the Secretary to provide technical assistance to States, territories, Indian Tribes, and Tribal organizations and to carry out research and evaluations related to the entitlement.

### **Transition Provisions**

Requires States receiving entitlement assistance to not use more than 10 percent of any funds received under the Child Care and Development Block Grant Act of 1990 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 CCDBG in fiscal years 2026 through 2031, and allows States to transfer children's eligibility under the Child Care and Development Block Grant Act of 1990 where appropriate.

### **Reports**

States receiving funds under this title are required to collect and report information to the Secretary on a quarterly basis. States must annually report to the Secretary and Congress additional data.

## **TITLE II – Building an Affordable System for Early Education (BASE) Grants**

### **Section 201 – Purposes**

Describes the purposes under this title including:

- 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;
- 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;
- 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
- 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.

### **Section 202 – Definitions**

Provides that the terms “child care certificate”, “child with a disability”, “family child care provider”, “lead agency”, “Secretary”, and “State” are defined as in section 658P of the “Child Care and Development Block Grant Act of 1990” (CCDBG). A definition for “eligible childcare provider” is also provided, and means an eligible child care provider as defined in section 658P of the Child Care and Development Block Grant Act of 1990, and an eligible child care provider as defined in Title I. “Provider type” is defined to mean a center-based child care provider; a family child care provider; a group home child care provider; or another non-center-based child care provider.

### **Section 203 – Secretarial Reservation**

Provides that the Secretary may reserve not more than 3 percent of the funds provided for grants under the following section for purposes including providing technical assistance.

### **Section 204 – Grants**

Requires the Secretary use funding under Title I and this title (after the required reservation in the previous section) to award each lead agency a BASE grant in accordance with section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m). The Secretary may also 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.

### **Section 205 – State Application**

Requires States to submit an application to be eligible for a grant under this Title that includes a subgranting process to eligible child care providers under this title; a description of how the lead agency will ensure each subgrant is sufficient to support ongoing operations and long-term sustainability of the eligible child care provider, explain how the subgrant accounts for the cost of providing high-quality child care services across variations in cost of living, hours of operation, ages of children, and inclusive care needs, account for the cost of attracting, training, and retaining a qualified and skilled workforce (including, at a minimum, supporting increased wages for all staff of the provider); if the lead agency uses a formula for awarding subgrants that is based on general cost estimates, requiring the estimates will be based on the provider’s enrollment capacity rather than attendance; a description of how the lead agency will work with eligible child care providers to improve the quality of services (which may include improving the State’s tiered system of measuring the quality of child care services); and a description of how the lead

agency will use funds to conduct widespread outreach and provide technical assistance to child care providers.

### **Section 206 – Administration**

Provides that grant funded activities under this title may be administered directly by the State or under a grant or contract to provide administration through another State government agency, a local or regional child care resource and referral agency, a community development financial institution, another nonprofit intermediary with experience supporting child care providers, or another appropriate entity.

### **Section 207 – State Activities and Subgrants**

Provides that a lead agency for a State shall not reserve 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, publicize the availability of the subgrants, and carry out activities to increase the supply of child care services under this title. Specifies that the remaining funds should be used to carry out the activities described in Section 210. Specifies that the lead agency shall make the subgrant for a period of 5 years and that they lead agency shall make subgrant payments in advance or account for over- or underpayments.

### **Section 208 – Priority for Subgrants**

Requires that the lead agency give priority to eligible child care providers who provide child care services during nontraditional or extended hours; provide child care services to infants and toddlers; provide child care services to dual language learners, children with disabilities, children experiencing homelessness, children in foster care, or children from low-income families; 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; operate in communities, including communities with a high proportion of children in households with incomes below the poverty line and rural communities, with a low supply of child care services; or 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.

### **Section 209 – Eligible Child Care Provider Application**

Requires that the eligible child care provider provide the lead agency the following to be qualified to receive a subgrant under this title: a description of how the eligible child care provider meets the priority requirements in section 208; 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; an assurance that the eligible child care provider, for the duration of the period of the grant, will be open and available to serve children unless temporarily closed due to building safety or maintenance as a result of safety issues, widespread illness or staff shortages, routine closures or breaks due to holidays or scheduled staff professional development, or a national or State health emergency or natural disaster; 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 operations, such as through participation in a State's tiered and transparent system for measuring the quality of child care services; and a description of how the eligible child care services provider will pay staff higher wages over the course of the grant period including, at a minimum, annual cost of living

adjustments and graduated pay increases based on staff members' credentials, experience, and job responsibilities.

### **Section 210 – Use of Funds**

Requires that an eligible child care provider use at least 70 percent of subgrant funds for personnel costs, including 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, whereas remaining funding may be used for other costs relating to the provider's program, including professional development; providing recruitment and retention bonuses for staff; 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; 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; making payments for rent or on any mortgage obligation; obtaining equipment, repairs, supplies, services, and training necessary to ensure compliance with applicable health, safety, educational, and quality requirements; providing comprehensive services to support the health, including mental health, and well-being, of children and families from underserved populations; 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 providing inclusive and developmentally appropriate care for children with disabilities. States that also participate in the Title I program are granted additional flexibility for BASE grants.

### **Section 211 – Reporting**

Requires that not later than one year after a lead agency receives a grant under this title, and annually thereafter, the lead agency submit a report to the Secretary including a variety of listed performance metrics including: (1) the total number of eligible child care providers who applied for a subgrant relative to the total number of eligible providers in the State, disaggregated by provider type, race and ethnicity of provider, and geographic area; (2) the total number of providers that received a subgrant; (3) the methodology for determining subgrant amounts; (4) the average and range of subgrant amounts by provider type, race and ethnicity, and geographic area; (5) the percentages of subgrant recipients that served priority populations and operated in underserved areas; (6) enrollment capacity and average monthly attendance by age; and (7) the average wages or other compensation for provider staff, disaggregated by provider type, job position, and, to the extent possible, staff race and ethnicity.

### **Section 212 – Supplement Not Supplant**

Requires funds received under this title be used to supplement and not supplant other Federal, State, and local public funds expended to provide child care services for eligible individuals.

### **Section 213 – Authorization of Appropriations**

Authorizes \$9 billion per year in mandatory funding for the program under this title for each of fiscal years 2026 through 2031.

## **Title III – Universal Preschool**

### **Section 301 – Definitions**

Defines the terms "child experiencing homelessness," "child with a disability," "comprehensive services," "dual language learner," "eligible child," "eligible provider," "Head Start agency," "Indian Tribe," "local educational agency," "poverty line," "Secretary," "State," "territory," and "Tribal



Organization.” An “eligible child” is defined as a child who is age 3 or 4 on the date determined by the applicable local educational agency for kindergarten entry. An “eligible provider” includes a local educational agency (alone or in consortium) that is licensed by the State or meets comparable health and safety standards; a Head Start agency or delegate agency funded under the Head Start Act; a licensed center-based child care provider, licensed family child care provider, or a network of licensed family child care providers; or a consortium of the above entities.

### **Section 302 – Universal Preschool**

Appropriates such sums as may be necessary to the Department of Health and Human Services for each of fiscal years 2026 through 2031 to carry out this title. In addition to amounts otherwise available, the section appropriates \$2.5 billion for Indian Tribes and Tribal Organizations, \$1.25 billion for payments to territories, \$300 million for local entities serving children and families engaged in migrant and seasonal agricultural labor, \$995 million for Federal administration and related activities, and \$20 billion for grants to localities and Head Start agencies.

### **Section 303 – Payments for State Universal Preschool Services**

Provides that a State with an approved State plan is entitled to payments under this section. The Federal share for preschool services begins at 90 percent in fiscal years 2026 and 2027, and phases down to 80 percent in 2028, 75 percent in 2029, 65 percent in 2030, and 60 percent in 2031. The Federal share for State and system-wide activities is 50 percent of the amount expended by the State, provided that payments for those activities do not exceed 10 percent of the total State expenditure. The Secretary is required to make payments based on advance estimates of expenditures and must adjust those payments as necessary.

A State that receives funding under this section must carry out the following activities:

- Administer the State preschool program.
- Support a continuous quality improvement system for preschool providers through the use of data, training, technical assistance, professional development, and coaching.
- Conduct outreach and enrollment efforts for families of eligible children.
- Support the development and maintenance of early childhood data systems.
- Provide professional development and credentialing opportunities for staff, including pathways to baccalaureate degrees.
- Ensure access to inclusive preschool services for children with disabilities.
- Provide age-appropriate transportation services, at a minimum for children experiencing homelessness and children in foster care.
- Conduct or update a statewide needs assessment on access to high-quality preschool services.

The Governor of a State seeking payment under this title must designate a lead agency and submit a State plan outlining how the State will provide universal, high-quality, free, inclusive, and mixed-delivery preschool services. The plan must include:

- A certification that the State has or will adopt, within one year of first receiving funds, developmentally appropriate, evidence-based preschool standards aligned with or exceeding Head Start standards, including standards for class size and ratios, and that these will be coordinated with other early learning standards in the State.
- An assurance that all preschool services funded under this section will be universally available to all children in the State without additional eligibility requirements, and that services will be high-quality, free, and inclusive.

- An assurance that local preschool programs funded under this section will meet State preschool education standards within 18 months of receiving funds; offer at least 1,020 annual hours of programming; conduct outreach and expedited enrollment; provide salaries equivalent to those of elementary school staff with similar credentials and experience, and at a minimum, provide a living wage for all staff.
- An assurance that lead preschool teachers will have a baccalaureate degree in early childhood education or a related field within 6 years of the State first receiving funds, with a limited exemption for certain experienced staff employed prior to enactment who demonstrate required knowledge and skills as defined by the State.
- For States with existing public preschool programs, a description of how the State will use funding to bring existing programs into compliance with this title.
- A description of how the State will support a mixed-delivery system for any new preschool slots, including support for participation by Head Start and licensed child care providers; steps to avoid disruption of infant and toddler care; and consultation with the State Advisory Council on Early Childhood Education and Care. The plan must also include strategies for equitable distribution of new slots among schools, Head Start agencies, and child care providers (including family child care).
- A certification that the number of publicly funded preschool slots will not decrease from the prior fiscal year, unless the number of eligible children declines, in which case the State must maintain the prior year's slot-to-child ratio.
- An assurance that the State will ensure children with disabilities can access and participate in inclusive preschool programs.
- An assurance that eligible providers funded under this section will prohibit suspensions, expulsions, and aversive behavioral interventions.
- An assurance that the State will coordinate preschool services under this title with services funded by the Child Care and Development Block Grant Act of 1990, section 619 and part C of the Individuals with Disabilities Education Act, the Head Start Act, Preschool Development Grants, the Elementary and Secondary Education Act, the McKinney-Vento Homeless Assistance Act, and the Maternal, Infant, and Early Childhood Home Visiting Program.
- A certification that the State will support continuous quality improvement through technical assistance, monitoring, and research.
- A certification that the State will ensure a highly qualified early childhood workforce aligned with the requirements of this title.
- An assurance that the State will meet Child Care and Development Block Grant Act requirements related to funding and assessments.
- A certification that subgrant and contract amounts provided under Section 304 will be sufficient for eligible providers to meet the program's requirements.
- An agreement to submit periodic reports to the Secretary, as required, with a detailed accounting of how funding was used.

The State plan remains in effect for a period of not more than three years.

#### **Section 304 – Subgrants and Contracts for Local Preschool Programs**

Requires a State to use payments to subgrant or contract with eligible providers to operate universal, high-quality, free, and inclusive preschool programs. States must subgrant or contract in an amount sufficient to enable an eligible provider to operate a local preschool program that meets the requirements of section 303(e)(2), and the amount must reflect variations in costs of preschool services by geographic area,

provider type, age of child, and the additional costs associated with providing inclusive preschool services for children with disabilities. The subgrants must be awarded for a period of not less than 3 years, unless terminated, suspended, or reduced for cause. Providers that offer preschool programs to a high percentage of low-income children must receive enhanced payments to support comprehensive services.

In awarding subgrants or contracts, the State must first prioritize establishing and expanding universal preschool programs within and across high-need communities. A State must use a research-based methodology approved by the Secretary to identify such high-need communities, based on poverty rates, access to high-quality preschool, and other indicators of need, and must ensure a majority of children in those communities are served before expanding to lower-need areas.

Subgrants or contracts must be used to enroll and serve children, including by paying the costs of personnel (including classroom and administrative personnel), compensation and benefits; implementing preschool standards and curriculum; professional development, teacher supports, and training; developmentally appropriate health and safety standards (including licensure, ratios, and group size maximums); materials, equipment, and supplies; and facilities-related costs such as rent, mortgage, utilities, security, maintenance, and insurance

### **Section 305 – Payments for Universal Preschool Services to Indian Tribes and Territories**

Requires the Secretary to make payments to Indian Tribes and Tribal organizations with an approved application to carry out the preschool program described in this title, consistent, to the extent practicable as determined by the Secretary, with the requirements applicable to States. The Secretary must also make payments to the territories with an approved application and territories must carry out the preschool program described in this title, consistent, to the extent practicable as determined by the Secretary, with the requirements applicable to States. The head of an Indian Tribe or territory must also designate a lead agency.

### **Section 306 – Grants to Localities and Head Start Expansion in Nonparticipating States**

Requires the Secretary to award local universal preschool grants to eligible localities located in States that do not take a payment. An “eligible locality” is defined as a city, county, or other unit of general local government, a local educational agency, or a Head Start agency. 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.

The Secretary must also make awards to a Head Start agency in a nonparticipating State to carry out the purposes of the Head Start Act. The Secretary must 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.

### **Section 307 – Allowable Sources of Non-Federal Share**

Outlines the allowable sources for the purpose of the non-Federal share. A State’s non-Federal share: may be in cash or in kind, fairly evaluated, including facilities or property, equipment, or services; 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; shall not include contributions being used as a non-Federal share or match for another Federal award; shall be provided from State or local sources, contributions from philanthropy or other private organizations, or a combination of such sources and contributions; and 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.

### **Section 308 – Maintenance of Effort**

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 relative to the previous fiscal year, the Secretary, in collaboration with the Secretary of Education, shall reduce support for such State under by the same amount as the total reduction in that State fiscal effort for such reduction fiscal year. The Secretary may waive these requirements if there is a precipitous decline in the financial resources of a State as a result of unforeseen 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 childhood education programs; or due to the circumstance of a State requiring reductions in specific programs, including early childhood education programs, the State presents 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 reductions.

### **Section 309 – Supplement not Supplant**

Funds received under this title must be used to supplement not supplant other Federal, State, and local public funds spent on preschool programs in the State.

### **Section 310 – Nondiscrimination Provisions**

Applies nondiscrimination protections (including Title IX of the Education Amendments of 1972, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and The Americans with Disabilities Act of 1990) to any program or activity that receives funds under this title.

### **Section 311 – Monitoring and Enforcement**

Requires the Secretary to review and monitor compliance of States, territories, Tribal entities, and local entities with this title and State compliance with the State plan.

### **Section 312 – Reporting**

Requires a State receiving a payment to annually report certain data to the Secretary of Health and Human Services.

### **Title IV – Head Start Extended Duration and Wage Increases**

Amends the Head Start Act and requires the Secretary to make grants to Head Start agencies (including Early Head Start agencies) to provide access to a full school year and a full school day of services; 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 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 the agency.

In order to be eligible, a Head Start agency must submit an application with:

- Evidence of the number and percentage of slots in the agency's Head Start center-based programs (that are not Early Head Start programs) that are currently funded (as of the date of submission of the application); and in which services are provided for at least the equivalent of 1,020 hours per year;
- In the agency's Early Head Start center-based programs that are currently funded (as of that date); and in which services are provided for at least the equivalent of 1,380 hours per year;
- The number and percentage of slots, in the agency's Head Start family child care programs that are currently funded (as of that date); and in which services are provided for at least the equivalent of 1,380 hours per year;
- A description of an approach, using the current community-wide strategic planning and needs assessment 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
- 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.

A migrant and seasonal Head Start agency may apply for a grant without meeting the requirements above 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 must still submit an application to the Secretary. The Secretary must give priority to a migrant and seasonal Head Start agency operating for fewer than 8 months per year.

A Head Start agency, with an approved application, must use the grant funds to cover the costs associated with extending those hours of service for the current enrollment, such as additional costs for the purchase, rental, renovation, and maintenance of additional facilities; ongoing purchases of classroom supplies; staff providing services during the extended hours; and professional development to staff transitioning to providing services during the extended hours.

A Head Start agency (including an Early Head Start agency) that already provides full day, full year services must use grant funds to support staff training, child counseling, and other services, necessary to address the challenges of certain populations of children; ensure that the physical environments of Head Start programs are conducive to providing effective program services to children and families, and are accessible to children with disabilities and other individuals with disabilities; employ additional qualified classroom staff to reduce the child-to-teacher ratio in the classroom and additional qualified family service workers to reduce the family-to-staff ratio for those workers; ensure that Head Start programs have qualified staff that promote the language skills and literacy growth of children; improve communitywide strategic planning and needs assessments for Head Start programs and collaboration efforts for such programs; transport children in Head Start programs safely; or improve the compensation and benefits of staff of Head Start agencies, in order to improve the quality of Head Start programs.

The title authorizes a mandatory \$4 billion in fiscal year 2026 for the purchase, rental, renovation, and maintenance of additional facilities. This is a one-year authorization. \$833 million in mandatory funds is authorized in fiscal year 2026, \$852 million in fiscal year 2027, and \$872 million in fiscal year 2028 for ongoing purchases of classroom supplies; staff providing services during the extended hours; and professional development to staff transitioning to providing services during the extended hours. Priority is

given to Head Start agencies that will be extending the day and year. 4.5 percent of funds are reserved for migrant or seasonal Head Start programs.

**Section 402 – Appropriation for Wages**

Authorizes \$2.7 billion in mandatory funding for fiscal year 2026 and each subsequent fiscal year to ensure that teachers and staff receive wages that are comparable to wages for elementary educators with similar credentials and experience in the State, or at a minimum, receive a living wage.