

## Union Calendar No. 509

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7723

**[Report No. 119–589]**

To amend the Child Care and Development Block Grant Act of 1990 to debar child care providers that committed fraud from receiving financial assistance under the Act, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2026

Ms. FOXX introduced the following bill; which was referred to the Committee on Education and Workforce

APRIL 6, 2026

Additional sponsor: Ms. LETLOW

APRIL 6, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on February 26, 2026]

# **A BILL**

To amend the Child Care and Development Block Grant Act of 1990 to debar child care providers that committed fraud from receiving financial assistance under the Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Safeguarding Taxpayer*  
 5 *Dollars in Child Care Act of 2026”.*

6 **SEC. 2. PREVENTING FRAUD IN THE CHILD CARE AND DE-**  
 7 **VELOPMENT BLOCK GRANT PROGRAM.**

8 *Section 658I(b) of the Child Care and Development*  
 9 *Block Grant Act of 1990 (42 U.S.C. 9858g(b)) is amend-*  
 10 *ed—*

11 *(1) by redesignating paragraph (3) as para-*  
 12 *graph (4); and*

13 *(2) by inserting after paragraph (2) the fol-*  
 14 *lowing:*

15 *“(3) DETERMINATION OF FRAUD.—*

16 *“(A) INVESTIGATION.—The Secretary shall*  
 17 *investigate fraud with respect to financial assist-*  
 18 *ance available under this subchapter.*

19 *“(B) DEBARMENT.—In the case that the*  
 20 *Secretary makes, or finds that there has been, a*  
 21 *final determination of fraud against a child care*  
 22 *provider that received financial assistance avail-*  
 23 *able under this subchapter, the Secretary shall*  
 24 *permanently debar such child care provider from*  
 25 *receiving such financial assistance.*

1           “(C) *PROVIDERS DEBARRED FROM CHILD*  
2           *AND ADULT CARE FOOD PROGRAM.*—*In the case*  
3           *that a child care provider has been debarred*  
4           *from participating in the Child and Adult Care*  
5           *Food Program under section 17 of the Richard*  
6           *B. Russell National School Lunch Act (42 U.S.C.*  
7           *1766) in accordance with subsection (d)(5)(E)(i)*  
8           *of such section, the Secretary shall permanently*  
9           *debar such child care provider from receiving fi-*  
10           *nancial assistance under this subchapter.*

11           “(D) *FINAL DETERMINATION OF FRAUD*  
12           *DEFINITION.*—*In this paragraph, the term ‘final*  
13           *determination of fraud’ means a determination*  
14           *reached in an administrative order or as part of*  
15           *a judicial decision, for which any rights to re-*  
16           *view or appeal have been exhausted or waived,*  
17           *that a child care provider—*

18                   “(i) *knowingly submitted a false state-*  
19                   *ment or documentation to obtain financial*  
20                   *assistance available under this subchapter;*

21                   “(ii) *misrepresented ownership of, en-*  
22                   *rollment at, attendance at, or services pro-*  
23                   *vided through a program of child care serv-*  
24                   *ices, or the eligibility of the provider to pro-*

*vide such services, to obtain such financial assistance;*

*“(iii) to obtain such financial assistance, operated without the State licensing described in section 658E(c)(2)(F) and without receiving an exception to such licensing;*

*“(iv) made a knowing and improper expenditure of such financial assistance; or*

*“(v) engaged in any other conduct related to such financial assistance that constituted fraud under Federal or State law.”.*

**SEC. 3. PREVENTING FRAUD IN THE CHILD AND ADULT CARE FOOD PROGRAM.**

*Section 17(d)(5) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766(d)(5)) is amended—*

*(1) by redesignating subparagraph (E) as subparagraph (F); and*

*(2) by inserting after subparagraph (D) the following:*

*“(E) TERMINATION DUE TO FRAUD.—*

*“(i) DEBARMENT.—In the case that the participation of an institution or family or group day care home under the program is terminated due to a final determination of*

1        *fraud, the Secretary shall permanently*  
2        *debar such institution or family or group*  
3        *day care home from participating in the*  
4        *program.*

5                *“(ii) PROVIDERS DEBARRED FROM*  
6        *CHILD CARE AND DEVELOPMENT BLOCK*  
7        *GRANT PROGRAM.—In the case that an in-*  
8        *stitution or family or group day care home*  
9        *has been debarred from receiving financial*  
10       *assistance under the Child Care and Devel-*  
11       *opment Block Grant Act of 1990 (42 U.S.C.*  
12       *9857 et seq.) in accordance with section*  
13       *658I(b)(3)(B) of such Act, the Secretary*  
14       *shall permanently debar such institution or*  
15       *family or group day care home from par-*  
16       *ticipating in the program.*

17                *“(iii) FINAL DETERMINATION OF*  
18        *FRAUD DEFINITION.—In this subparagraph,*  
19        *the term ‘final determination of fraud’*  
20        *means a determination reached in accord-*  
21        *ance with the procedures and requirements*  
22        *of this section, for which any rights to re-*  
23        *view or appeal have been exhausted or*  
24        *waived, that an institution or family or*  
25        *group day care home—*

1                   “(I) knowingly submitted a false  
2                   statement or documentation to obtain  
3                   funds disbursed under subsection  
4                   (f)(1)(A);

5                   “(II) misrepresented ownership,  
6                   enrollment, attendance, or services in  
7                   connection with the operation of the  
8                   program by such institution or family  
9                   or group day care home, or the eligi-  
10                  bility of such institution or family or  
11                  group day care home to operate the  
12                  program, to obtain such funds;

13                  “(III) made a knowing and im-  
14                  proper expenditure of such funds; or

15                  “(IV) engaged in any other con-  
16                  duct related to such funds that con-  
17                  stituted fraud under Federal or State  
18                  law.”.

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