

April 8, 2026

The Honorable Bill Cassidy, M.D.  
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U.S. Senate Committee on Health,  
Education, Labor, and Pensions  
455 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Tommy Tuberville  
Member  
U.S. Senate Committee on Health,  
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Chairman Bill Cassidy and Senator Tommy Tuberville,

For 100 years, and with nearly 50,000 members, including early childhood educators, faculty members, students, advocates, and allies across the country, the National Association for the Education of Young Children's (NAEYC) mission has been to increase access to high-quality, developmentally-appropriate early childhood education for all children birth through age 8. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children. As such, we are grateful for the opportunity to provide feedback on the Child Care Program Integrity discussion draft recently released by Senators Cassidy and Tuberville.

First, we want to be clear that fraud in any public program is harmful and should be investigated and addressed where it exists through legal action and appropriate, targeted approaches. However, as expert witnesses at the hearing the HELP committee held in February on Preventing Fraud in Child Care Assistance Programs clearly stated, there is no evidence of widespread fraud in the child care assistance program, and policies designed to support enhanced program integrity should be resourced, targeted, and not place additional burdens on families and providers.

This policy proposal instead offers a broad, sweeping approach to preventing unsubstantiated fraud. It risks fueling a harmful narrative that impacts the wellbeing of early childhood educators and children, and making it more difficult for children and families to access the child care support they need to work. It also imposes additional cost burdens and requirements on states and programs without providing additional support, and takes away state flexibilities to implement the Child Care and Development Block Grant (CCDBG) based on the unique needs and experiences of the communities they are serving. Many of the additional administrative burdens it imposes on providers and families reverse decades of bipartisan support for policies designed to maximize family choice, support stability of care for children, and facilitate increased workforce participation.

As the HELP committee continues to consider changes to critical programs like CCDBG, we encourage Members to consult closely with families and child care providers on their experiences and prioritize needed investments in the program rather than imposing additional burdens on an already strained system.

Our detailed comments below address the specific impacts of proposed section-by-section changes to CCDBG included in the Child Care Program Integrity Discussion Draft on families, educators, and states.

## Section 2: Payment Practices and Verification

As written, the proposed discussion draft's changes to payment practices and verification would place additional barriers and cost burdens for families, providers, and states, and risk limiting family and provider participation in CCDBG, negatively impacting families' access to and choice of child care programs. The following changes are particularly concerning in terms of their ability to create unintended, negative consequences to provider and family participation in the program.

### **Requiring eligibility recertification every six months rather than once per year and establishing a 90-day notice requirement for families to report income changes.**

This proposed change increases administrative burdens on states and families and would reverse the bipartisan consensus from the 2014 CCDBG reauthorization to support families' access to subsidies in the face of temporary changes to their income or work status, and risks undermining stability of care for children during foundational years of early brain development. New income reporting requirements also create significant burdens, especially for families working multiple jobs or working non-standard work schedules, and create a heightened risk of eligible families losing access to child care due to administrative barriers and red tape.

### **Requiring states to roll back enrollment-based payment practices and explicitly allowing retroactive payment.**

Current law requires states to pay providers based on generally accepted private market practices and to support timely payments to providers in order to incentivize provider participation in the subsidy system and maximize parental choice. NAEYC's latest workforce survey clearly demonstrates that those generally accepted payment practices largely include prospective payments and enrollment-based payments in

the private market. Witnesses at the February 2026 hearing on Preventing Fraud in Child Care Assistance programs also emphasized the importance of these practices in providing predictability for programs as they manage budgets and rising operational costs on thin profit margins. NAEYC is concerned that barring states from paying based on enrollment would undermine progress made in more than half of states, including Louisiana and Alabama, to support more stable payment practices for providers, and risk undermining provider participation in the subsidy system. And while we appreciate the acknowledgement of the importance of timely payment to providers, we are concerned that explicitly allowing retroactive payments of up to 21 days after a submitted invoice in the law undercuts the law's requirement that states pay providers based on generally-accepted practices, and prevents an interpretation of the law as requiring prospective or more timely payments.

### **Requiring parents' citizenship information to qualify for CCDBG in addition to the child's.**

Since the creation of the Child Care and Development Fund (CCDF) in 1990, only child immigration status has been required to determine eligibility. This additional requirement could take away child care access from eligible U.S. citizen children, particularly those in mixed-status households where family members' immigration status may be different from the child's, by disqualifying them from the program. This risks undermining the continuity and stability of care arrangements for citizen children, and creates additional risk that they may be placed in unregulated or less safe care environments if they lose access to formal child care settings.

### **Eliminating self-attestation for components of eligibility verification.**

Under current law, states may allow families to self-attest to certain eligibility criteria to receive child care assistance including asset tests (described in more detail below). By prohibiting self-certification for any component of eligibility, this discussion draft would create significant, additional hurdles for families in applying for and receiving child care assistance, potentially disrupting care arrangements and making it more difficult for families to secure the care they need to work or go to school. This provision would be made even more burdensome by the proposal's elimination of state flexibilities around presumptive eligibility and its reduced asset limit, without offering clarity on what should be counted as a family asset for the purpose of CCDBG eligibility.

### **Eliminating presumptive eligibility for families while paperwork is completed.**

CCDF currently allows states to support families' access to subsidies for up to three months while families complete eligibility paperwork, helping parents remain employed or start work and able to support their families. Individual state policies vary, but generally speaking, presumptive eligibility offers particular value for supporting families who are homeless, those caring for children in foster care, or those just starting a new job – supporting stability and continuity of care for children and removing barriers to employment and stability for families. Eliminating the option for states to implement presumptive eligibility policies takes away an important tool for states in supporting access to child care assistance and stable employment for families, and creates additional barriers to subsidy and work for some of the families most in need of support.

### **Requiring child care programs to conduct electronic attendance verification for families.**

Many providers do leverage child care management software and tools to track and verify attendance, reduce paperwork, and support administrative reporting. However, mandating their use in law creates additional burdens for families and providers. Requiring the purchase and implementation of new technology systems without additional funds further strains providers' budgets as they face rising operational costs, including food, supplies, and insurance. There is also real risk that this mandate could create situations where user error at drop-off or pickup could lead to provider underpayment, even if a child was cared for on that day. And for some families, these practices could raise privacy concerns, especially as several states propose taking this further with daylong surveillance in classrooms to monitor the attendance of children using subsidy.

## **Section 3: Activities to Improve Quality**

As drafted, this discussion draft's approach to the existing quality set-aside risks undermining states' abilities to spend quality dollars in ways that best align with the needs of their communities and shifting investments from quality improvement to compliance.

## **Redirecting three percent of Quality Set-Aside Dollars for Program Accountability.**

Under current law, states are allowed to leverage their 9 percent quality set-aside for a range of activities to improve the quality of child care services offered in the state. These activities include developing and implementing a QRIS system or supporting providers' compliance with licensing, but also include activities like investing in the development and training of the workforce, supporting providers in meeting high quality, developmentally appropriate standards, and supporting a system of resource and referral services. By requiring states to reserve a portion of these quality set-aside dollars specifically for carrying out a QRIS system and monitoring and licensing, this proposal would reduce states' flexibility in managing quality activities and potentially shift funding away from existing supports that improve program quality and support the workforce.

## **Section 4: Review of Compliance**

The discussion draft establishes a higher standard for monitoring CCDBG funds than exists in other federal programs and requires significant new sanctions and penalties on states for improper payments – likely reducing the overall funding available to serve children and families in every state. It would also establish new authority for an Administration to withhold funding from states without due process.

### **Requiring more frequent monitoring for “high risk” states.**

The discussion draft establishes a new standard for “high-risk” programs tied to their improper payment rates that is higher than the standard for other federal programs, and requires more frequent monitoring of these states by the Department of Health and Human Services (HHS). While HHS currently does conduct monitoring of lead agencies every three years, this heightened standard would likely face practical implementation challenges given the mass reduction in regional child care offices and staff in the last year.

### **Mandating HHS impose sanctions on states.**

Currently, CCDBG requires HHS to recover funds from states' improper payments and other non-compliance and allows HHS to impose sanctions. This proposal would mandate a five percent penalty on states with any improper payments, which refer to administrative errors including underpayment and overpayment and are not the same as intentional fraud. This penalty would likely impact every state, as nearly all have

some degree of improper payments unrelated to fraud, especially when combined with other policies in the discussion draft that would increase administrative burdens and documentation requirements for families and providers. Ultimately, this will result in fewer dollars reaching children, families and programs and additional strain on an already under resourced system.

### **Requiring corrective action plans and withholding of funds for improper payments.**

Under current law, HHS may request a corrective action plan from a state out of compliance with a section of the law. Under this draft, those plans are required and the Secretary must withhold CCDF funding from the state if they deem that it has not complied with the proposed corrective actions. In a year where the Administration has already attempted to withhold CCDF funding from states based on unsubstantiated claims of fraud, and given that nearly all states would be subject to corrective action because they have some degree of improper payments (not fraud), this proposal creates a significant risk that an Administration could improperly leverage child care funding for political purposes, denying access to child care support to providers and families in whole states for flimsy rationale without sufficient due process response for states.

## **Section 5: Reports and Audits**

In this section, the discussion draft opens up additional risk for subjective assessments by states or HHS to penalize providers or reduce state funding without establishing clear due process protections.

### **Requiring states to include “suspected fraud” in their calculation of improper payment rates.**

This draft requires the Secretary to issue regulations regarding states’ error rate calculations that require states to include both verified and “suspected fraud” in their improper payment rate calculation, which would then be used to calculate penalties and sanctions. The inclusion of “suspected fraud” in this definition is particularly concerning, as it implies a degree of subjectivity and penalization without evidence or due process.

## **Giving HHS discretion to disqualify providers from participating in CCDBG without clear evidence for wrongdoing.**

This proposal requires the Secretary of HHS to create a database of disqualified providers without providing a clear process for determining that disqualification or for provider due process, opening the door to subjective decision-making that could prevent providers from being able to receive funding under CCDBG. This could have a chilling effect on provider participation in CCDBG, negatively impacting the supply of child care programs serving families in the subsidy program.

## **Section 6: Eligibility**

The discussion draft makes changes to eligibility policies under CCDBG that risk unintentionally excluding families who would otherwise be income eligible for CCDBG makes changes to eligibility that could potentially lead funding to be redirected from lower- to higher-income families.

### **Lowering the family asset limit from \$1 million to \$500,000.**

Lowering the family asset limit would potentially disqualify families who are currently eligible for CCDBG even if their income meets the threshold of 85 percent of the state median income, further decreasing the reach of this crucial program. Current law is not clear on what assets should or should not be counted towards the existing CCDBG asset limit, and while the federal government [recommends](#) excluding assets such as the home a family lives in, state asset tests do not consistently offer the same degree of clarity for families applying for subsidy. This policy shift could unintentionally disqualify low-income families living in high cost-of-living areas, families in rural areas who own farm land, or families who have seen home prices rise in their community, even if their income is low enough to qualify and not sufficient enough to afford the high cost of child care. This is especially harmful

### **Redefining eligibility to include parents' marital status.**

Under current law, parents' marital status is not considered when determining income eligibility for CCDBG. Where CCDBG already reaches a limited percentage of eligible families with low-incomes due to insufficient public funding, this proposal risks shifting limited resources to families with higher incomes based on their marital status, while offering no clarity on how this change might apply to other family structures, such as a family in which a child resides with their parents who are domestic partners.

## Recommendations to Strengthen Early Care and Education

As highlighted by expert child care witnesses at the February HELP hearing, the early education sector is underfunded and requires robust investments to meaningfully support families with young children and the educators who serve them. NAEYC's [2026 ECE Workforce Survey](#) revealed that both families and educators are facing deep affordability challenges. Worsening financial hardship among families was reported by providers in the survey, with 65% noting an increase in the families they serve who struggle to afford tuition. Of providers who reported being under-enrolled in their programs, 61% said it was because parents can't afford to enroll their children and 49% don't have enough staff to open every classroom. As operating costs continue to rise for providers, with higher prices for food, supplies, and insurance, it drives higher tuition costs for families, while low educator pay fuels recruitment and retention challenges in the early childhood education workforce. Through robust, sustained investments in CCDBG and [other early learning programs](#) Congress can help more families access affordable high-quality child care, support a well-prepared and well-compensated early educator workforce, and build the supply of child care necessary to meet the needs of families, while ensuring program integrity through well-resourced and supported state administration.