

CHILD CARE INTEGRITY MONITORING ACT OF 2026

APRIL 6, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WALBERG, from the Committee on Education and Workforce, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 7722]

The Committee on Education and Workforce, to whom was referred the bill (H.R. 7722) to amend the Child Care and Development Block Grant Act of 1990 to require triennial comprehensive reviews of State performance under such Act, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Child Care Integrity Monitoring Act of 2026”.

SEC. 2. CYCLICAL MONITORING OF STATE PERFORMANCE.

Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended by adding at the end the following:

“(c) PERIODIC MONITORING BY THE SECRETARY.—At 3-year intervals, the Secretary shall conduct a comprehensive review of the performance of each State that receives assistance under this subchapter. Based on the results of such review, the Secretary shall designate as high risk a State that has—

“(1) a high level of unresolved or repeated adverse audit findings submitted under subsection (b);

“(2) a high level of unresolved issues under, or repeated performance failures to carry out, corrective action plans submitted by such State under section 659J(c); or

“(3) unresolved or repeat findings of noncompliance with the State plan approved under section 658E(c).

“(d) REQUIRED ADDITIONAL MONITORING.—If a State is designated as high risk under subsection (a), then the performance of such State shall be subject to additional monitoring, as determined by the Secretary.”.

PURPOSE

The purpose of H.R. 7722, the *Child Care Integrity Monitoring Act of 2026*, is to codify the three-year program review currently in practice. Under current regulations, the Secretary of Health and Human Services (HHS) audits state child care programs that receive Child Care and Development Block Grant (CCDBG) funding every three years. The *Child Care Integrity Monitoring Act of 2026* codifies this three-year cycle and requires the Secretary to designate states with repeated audit failures or noncompliance as “high risk” and subject such states to additional monitoring.

COMMITTEE ACTION

119TH CONGRESS

First Session—Hearing

On June 24, 2025, the Committee on Education and Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education held a hearing titled “Child Care and the American Workforce: Removing Barriers to Economic Growth.” The purpose of the hearing was to examine the CCDBG program as a worker support program and consider reforms that will support existing child care providers, continue to provide high-quality care to children, uphold the value and dignity of work to parents, and make fiscally responsible choices, including public-private partnerships. Testifying before the Subcommittee were Mrs. Caitlin Codella Low, Managing Director of Human Capital, Bipartisan Policy Center, Washington, D.C.; The Honorable Todd D. Barton, Mayor, City of Crawfordsville, Crawfordsville, Indiana; Dr. Ruth Friedman, Senior Fellow, The Century Foundation, Washington, D.C.; and Ms. Celia Hartman Sims, President and Founder, The Abecedarian Group, Houston, Texas.

Second Session—Hearing

On January 13, 2026, the Committee on Education and Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education held a hearing titled “Who’s Watching the Kids? How Employers, Innovators, and Parents Are Solving America’s Child Care Crunch.” The purpose of the hearing was to examine the national child care landscape, including those aspects governed by CCDBG, and consider fiscally responsible ways to meet the American workforce’s child care needs. At the hearing, Representative Kevin Kiley (R-CA) stated, “Protecting the integrity of child care funding is essential. When bad actors exploit the system, they divert resources from the families these programs are meant to serve. Recent events underscore the need for strong oversight and accountability at every level.” Testifying before the Subcommittee were Mr. Haden Polseno-Hensley, President and Co-Founder, Red Rooster Coffee Company, LLC, Floyd, Virginia; Ms. Alex Grover, Chief Executive Officer, i2M, Mountain Top, Pennsylvania; Ms. Amy K. Matsui, Vice President for Child Care and Income Security, National Women’s Law Center, Washington, D.C.; and Ms. Mary Lou Burke Afonso, Chief Operating Officer, Bright Horizons, Newton, Massachusetts.

Legislative Action

On February 26, 2026, Representative Bob Onder (R–MO) introduced H.R. 7722, the *Child Care Integrity Monitoring Act*. On March 5, 2026, the Committee on Education and Workforce considered H.R. 7722 in legislative session and reported it favorably, as amended, to the House of Representatives by a recorded vote of 20–15. The Committee considered the following amendments to H.R. 7722:

1. Representative Onder offered an amendment in the nature of a substitute to make a technical change to the bill. The amendment passed by voice vote.
2. Representative Mark DeSaulnier (D–CA) offered an amendment to require the HHS Secretary to testify before the Committee on Education and Workforce regarding the implementation of “Defend the Spend” practices in CCDBG and reductions in force in the CCDBG program. The amendment failed by a recorded vote of 15–19.

COMMITTEE VIEWS

INTRODUCTION

Child care is essential to helping working parents thrive and to supporting the growth of local economies. CCDBG exists to help working families access affordable child care, giving them the freedom to remain in the workforce, increase their economic opportunity, realize financial freedom, and move beyond the need for a federal safety net—thriving independent of government support. According to the National Center for Education Statistics, there are approximately 12.6 million children nationally who have non-parental care arrangements during the week.¹ Because CCDBG serves approximately 10 percent of children in that private-sector child care market, all of whom come from low-income families, any waste, fraud, and abuse in the program is untenable. The Committee considered H.R. 7722 to deliver accountability and transparency in our federal child care assistance program.

Waste, Fraud, and Abuse Unchecked at the State Level

On December 26, 2025, an independent journalist reported a number of child care centers licensed by Minnesota were taking federal funds through CCDBG without serving any children or families. Certain administrative mismanagement of Minnesota’s child care program had been documented in an HHS Inspector General report months prior² and in an internal controls review made by the Minnesota Office of the Legislative Auditor in 2019.³ Essentially admitting responsibility, on February 26, 2026, Minnesota Governor Tim Walz announced a “comprehensive anti-fraud package to fight fraud in state programs”⁴ and the Minnesota Office of Program Integrity released a related “roadmap” days earlier.⁵ In

¹ <https://nces.ed.gov/fastfacts/display.asp?id=4>.

² <https://oig.hhs.gov/reports/all/2025/minnesota-could-better-ensure-that-childcare-assistance-providers-comply-with-attendance-requirements/>.

³ <https://www.auditor.leg.state.mn.us/sreview/ccpic.pdf>.

⁴ <https://mn.gov/governor/newsroom/press-releases/?id=1055-727986>.

⁵ <https://kstp.com/wp-content/uploads/2026/02/Roadmap-to-Program-Integrity-and-Fraud-Prevention-2-23-2026.pdf>.

fact, testifying at a House Committee on Oversight hearing on March 4, 2026, Governor Walz admitted that Minnesota had been aware of fraud in its child care assistance program since 2012.

Since 2002, CCDBG has been identified as a program at risk of significant improper payments. The Office of Management and Budget first identified CCDBG as such following enactment of the *Improper Payment Act of 2002* (P.L. 107–300).⁶ A series of subsequent measures aimed at waste, fraud, and abuse prevention in programs across the federal government have failed to eliminate improper payments in CCDBG.⁷ A 2020 report by the Government Accountability Office estimated that improper payments in CCDBG during the previous fiscal year (FY 2019) totaled approximately \$325 million.⁸ Extrapolating that number out to include the current funding level and average improper payment rates, CCDBG could be losing nearly \$600 million each year to improper payments. Most recently, HHS continued to include CCDBG on its list of “risk susceptible” programs in the agency’s FY 2025 financial report.⁹

The Need for Sensible Reforms to Protect Taxpayer Dollars

The federal government is right to scrutinize state CCDBG funds because of the risk that those dollars are being fraudulently diverted from American families. States’ failures to ensure their programs are complying with statutory requirements are harming our nation’s families. We owe it to our working families to exercise sufficient oversight and hold fraudsters accountable.

CCDBG oversight and responsible use of taxpayer dollars should not depend on informal monitoring. Since 2002, the Office of Management and Budget has identified CCDBG as a program at risk of significant improper payments. In response, HHS has had three-year audit cycle regulations in place for state expenditures of CCDBG dollars since 2007. These requirements are clearly not enough to reduce significant risks the program faces. H.R. 7722 instead codifies the three-year audit cycle, directs the Secretary to designate high risk states, and allows additional monitoring to help right the ship before the situation is out of control. The private child care market is already a fragile ecosystem. We should not allow undue stress to further burden the system by allowing waste, fraud, and abuse to go uncorrected.

CONCLUSION

No amount of fraud in public programs is acceptable. When states administer federal programs, we expect a diligent effort to execute what the law requires. Americans should have confidence that their taxpayer dollars are funding critical child care assistance for families in need, not enriching those seeking to loot public programs for private gain. H.R. 7722 accomplishes this by codifying HHS’ practice of three-year reviews of CCDBG performance to ensure program integrity and accountability.

⁶ <https://georgewbush-whitehouse.archives.gov/omb/circulars/a11/2002/part2.pdf>.

⁷ Those include the *Improper Payment Information Act of 2002* (P.L.112–248), the *Improper Payments Elimination and Recovery Act of 2010* (P.L. 111–204), the *Improper Payments Elimination and Recovery Improvement Act of 2012* (112–248), and the *Payment Integrity Information Act of 2019* (P.L. 116–117).

⁸ <https://www.gao.gov/assets/gao-20-227.pdf>.

⁹ <https://www.hhs.gov/sites/default/files/fy-2025-hhs-agency-financial-report.pdf>.

Weeding out waste, fraud, and abuse in federal child care assistance will ensure public trust in CCDBG and allow for more dollars, economic opportunity, and workforce participation among America's families.

SUMMARY

H.R. 7722 SECTION-BY-SECTION SUMMARY

Section 1. Short title

- States that this Act may be cited as the *Child Care Integrity Monitoring Act of 2026*.

Section 2. Cyclical monitoring of state performance

- Amends section 658K of the *Child Care and Development Block Grant Act of 1990* to require the Secretary of HHS to audit the child care programs of states that receive CCDBG funds every three years, designate states with repeated audit failures or non-compliance findings as “high risk,” and subject “high risk” states to additional monitoring.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 7722 requires the Secretary of HHS to audit the child care programs of states that receive CCDBG funds every three years, designate states with repeated audit failures or noncompliance findings as “high risk,” and subject “high risk” to additional monitoring. H.R. 7722 applies only to HHS and does not apply to the Legislative Branch.

UNFUNDED MANDATE STATEMENT

Pursuant to section 423 of the *Congressional Budget and Impoundment Control Act of 1974*, Pub. L. No. 93–344 (as amended by section 101(a)(2) of the *Unfunded Mandates Reform Act of 1995*, Pub. L. No. 104–4), the Committee traditionally adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office (CBO) pursuant to section 402 of the *Congressional Budget and Impoundment Control Act of 1974*. The Committee reports that because this cost estimate was not timely submitted to the Committee before the filing of this report, the Committee is not in a position to make a cost estimate for H.R. 7722.

EARMARK STATEMENT

H.R. 7722 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House rule XXI.

ROLL CALL VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

Date: 3/5/2026

COMMITTEE ON EDUCATION AND WORKFORCE RECORD OF COMMITTEE VOTE

Roll Call: 6

Bill: H.R. 7722

Amendment Number: N/A

Disposition: Adopted by a Full Committee Roll Call Vote

Sponsor/Amendment: Motion to report bill; as amended

Rep. Onder (MO)

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. WALBERG (MI) (Chairman)	X			Mr. SCOTT (VA) (Ranking)		X	
Mr. WILSON (SC)	X			Mr. COURTNEY (CT)		X	
Mrs. FOXX (NC)	X			Ms. WILSON (FL)		X	
Mr. THOMPSON (PA)	X			Ms. BONAMICI (OR)			X
Mr. GROTHMAN (WI)	X			Mr. TAKANO (CA)		X	
Ms. STEFANIK (NY)			X	Ms. ADAMS (NC)		X	
Mr. ALLEN (GA)	X			Mr. DESAULNIER (CA)		X	
Mr. COMER (KY)	X			Mr. NORCROSS (NJ)		X	
Mr. OWENS (UT)	X			Ms. MCBATH (GA)		X	
Ms. MCCLAIN (MI)	X			Ms. HAYES (CT)		X	
Mrs. MILLER (IL)	X			Ms. OMAR (MN)		X	
Ms. LETLOW (LA)	X			Ms. STEVENS (MI)		X	
Mr. KILEY (CA)	X			Mr. CASAR (TX)		X	
Mr. RULLI (OH)	X			Ms. LEE (PA)		X	
Mr. MOYLAN (GU)	X			Mr. MANNION (NY)		X	
Mr. ONDER (MO)	X			Ms. GRIJALVA (AZ)		X	
Mr. MACKENZIE (PA)	X						
Mr. BAUMGARTNER (WA)	X						
Mr. HARRIS (NC)	X						
Mr. MESSMER (IN)	X						
Mr. FINE (FL)	X						

TOTALS: Ayes: 20

Nos: 15

Not Voting: 2

Total: 37 / Quorum: 35 Report: Passed

(21 R - 16 D)

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 7722 is to codify the three-year program review currently in practice.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 7722 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

STATEMENT OF OVERSIGHT FINDINGS AND
RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the body of this report.

REQUIRED COMMITTEE HEARING

In compliance with clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing held during the 119th Congress was used to develop or consider H.R. 7722: On June 24, 2025, the Committee on Education and Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education held a hearing titled “Child Care and the American Workforce: Removing Barriers to Economic Growth.”

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 7722. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when, as with the present report, the Committee has requested a cost estimate for the bill from the Director of the Congressional Budget Office.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

**CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT
OF 1990**

* * * * *

TITLE VI—HUMAN SERVICES PROGRAMS

Subtitle A—Authorizations Savings for Fiscal Years 1982, 1983,
and 1984

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CHAPTER 8—COMMUNITY SERVICES PROGRAMS

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Subchapter C—Child Care and Development Block Grant

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SEC. 658K. REPORTS AND AUDITS.

(a) REPORTS.—

(1) COLLECTION OF INFORMATION BY STATES.—

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

(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

- (i) family income;
- (ii) county of residence;
- (iii) the gender, race, and age of children receiving such assistance;
- (iv) whether the head of the family unit is a single parent;
- (v) the sources of family income, including—
 - (I) employment, including self-employment;
 - (II) cash or other assistance under—
 - (aa) the temporary assistance for needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and
 - (bb) a State program for which State spending is counted toward the maintenance of effort requirement under section 409(a)(7) of the Social Security Act (42 U.S.C. 609(a)(7));
 - (III) housing assistance;
 - (IV) assistance under the Food and Nutrition Act of 2008; and
 - (V) other assistance programs;
- (vi) the number of months the family has received benefits;

(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

(viii) whether the child care provider involved was a relative;

(ix) the cost of child care for such families;

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

(xi) whether the children receiving assistance under this subchapter are homeless children;

(C) SUBMISSION TO 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 on 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 sampling plans and data collection procedures as the Secretary deems 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 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 the enactment of the Child Care and Development Block Grant Act of 2014, and annually thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(6);

(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

(E) the total number (without duplication) of children and families served under this subchapter; during the period for which such report is required to be submitted.

(F) the number of child fatalities occurring among children while in the care and facility of child care providers receiving assistance under this subchapter, listed by type of child care provider and indicating whether the providers (excluding child care providers described in section 658P(6)(B)) are licensed or license-exempt.

(b) AUDITS.—

(1) REQUIREMENT.—A State shall, after the close of each program period covered by an application approved under section 658E(d) audit its expenditures during such program period from amounts received under this subchapter.

(2) INDEPENDENT AUDITOR.—Audits under this subsection shall be conducted by an entity that is independent of the State that receives assistance under this subchapter and be in accordance with generally accepted auditing principles.

(3) SUBMISSION.—Not later than 30 days after the completion of an audit under this subsection, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

(4) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this subsection not to have been expended in accordance with this subchapter, or the Secretary may offset such amounts against any other amount to which the State is or may be entitled under this subchapter.

(c) PERIODIC MONITORING BY THE SECRETARY.—At 3-year intervals, the Secretary shall conduct a comprehensive review of the performance of each State that receives assistance under this subchapter. Based on the results of such review, the Secretary shall designate as high risk a State that has—

(1) a high level of unresolved or repeated adverse audit findings submitted under subsection (b);

(2) a high level of unresolved issues under, or repeated performance failures to carry out, corrective action plans submitted by such State under section 659J(c); or

(3) unresolved or repeat findings of noncompliance with the State plan approved under section 658E(c).

(d) REQUIRED ADDITIONAL MONITORING.—If a State is designated as high risk under subsection (a), then the performance of such State shall be subject to additional monitoring, as determined by the Secretary.

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MINORITY VIEWS

INTRODUCTION

H.R. 7722, the *Child Care Integrity Monitoring Act*, introduced by Rep. Bob Onder (R–MO), would require the Secretary of the Department of Health and Human Services (HHS) to conduct a review of “performance” of states in the Child Care Development Block Grant (CCDBG) program. The bill gives the Secretary the power to designate a state as “high risk” under vague conditions and then exert whatever level of “additional monitoring” over the state the Secretary deems necessary. Safeguarding the integrity of the Child Care and Development Fund (CCDF) is critical, but making arbitrary changes to current program reporting requirements without the body of evidence and data risks exacerbating the current child care crisis. This concern is borne out of the fact that the Trump Administration has already shown a willingness to politicize the issue of fraud in child care under the guise of allegedly fighting fraud. If adopted, H.R. 7722 would provide additional tools for this and future administrations to weaponize the issue of fraud for political retribution and gain.

REPUBLICANS REFUSE TO FOCUS ON THE CHILD CARE CRISIS ACTUALLY AFFECTING AMERICAN FAMILIES

Child care is a necessity for millions of American families.¹ In many parts of the country, the cost of child care, when families can find it, can be as much as, or more than their rent or mortgage payments.² In many communities, child care simply does not exist in sufficient supply to meet demand.³ As a direct result, our economy loses an estimated \$122 billion in earnings, productivity, and revenue every year.⁴ This is not a personal failure on the part of parents or providers—it is a market failure that demands a policy response. The Child Care and Development Block Grant (CCDBG) is a federal program designed to provide child care assistance to low-income families and is administered through block grants to states.⁵ CCDBG funds, along with other federal funds not under the jurisdiction of this Committee, make up the Child Care Development Fund (CCDF), the largest federal source of child care fund-

¹*Fact Sheet: Child Care and the Economy, First Five Years Fund* (Mar. 6, 2026), <https://www.ffyf.org/2024/03/06/fact-sheet-child-care-and-the-economy/>.

²Child Care Aware of America, “Annual Child Care Landscape Analysis”, <https://www.childcareaware.org/price-landscape24/> (last visited Jan. 28, 2026).

³*See U.S. Child Care Deserts*, Ctr. for Am. Prog., <https://childcaredeserts.org/> (last visited Mar. 13, 2026).

⁴*How a Lack of Affordable Child Care Impacts the Economy, First Five Years Fund* (Mar. 13, 2025), <https://www.ffyf.org/resources/2025/03/how-a-lack-of-affordable-child-care-impacts-the-economy/>.

⁵Nina Chien, *Estimates of Child Care Subsidy Eligibility & Receipt for Fiscal Year 2021*, Off. of Hum. Svcs. Poly (Sep. 11, 2024), <https://aspe.hhs.gov/sites/default/files/documents/a91fd97aa80b53fa52a52d38cd323509/cy2021-child-care-subsidy-eligibility.pdf>.

ing.⁶ Yet, according to the most recent publicly available information, federal child care funds cover only about 15 percent of federally eligible children.⁷ Assuming that Congress provided sufficient resources cover the remaining 85% of eligible children, that would still leave many families—who are not eligible for the program—with the burden of unaffordable or unavailable child care.

In response to this reality, Committee Democrats have championed legislation focused on increasing the federal investment in child care. Specifically, this Congress, Ranking Member Robert C. “Bobby” Scott (D–VA) re-introduced H.R. 4418, the *Child Care for Working Families Act*.⁸ The *Child Care for Working Families Act* would tackle the child care crisis head-on: ensuring families can afford the child care they need, expanding access to more high-quality options, stabilizing the child care sector, and helping ensure child care workers taking care of our nation’s kids are paid livable wages. The bill provides grants to states to help expand the supply and capacity of eligible child care providers and aims to provide working families a range of high-quality, affordable child care options, in a variety of settings, that meet their unique needs, with no family paying more than seven percent of their income for child care costs.

H.R. 4418 would promote 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. It would support sustained and increased wages for early childhood educators or other staff eligible providers, in order to stabilize and grow the child care workforce. It would support 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. Language similar to H.R. 4418 was included in the *Build Back Better Act*, which passed the House in November 2021.⁹

Instead of working to fix the child care supply and demand issue, the Trump Administration’s actions have only created additional uncertainty for the child care sector, parents, and children.¹⁰ Almost immediately after President Trump took office in January 2025, the Office of Management and Budget announced that it was directing federal agencies to “temporarily pause all activities related to obligation or disbursement of all Federal financial assistance . . .”.¹¹ This funding pause was later rescinded,¹² but it initially caused significant confusion and consternation among federal

⁶ Rebecca Daugherty, *Child Care and Development Fund: CCDBG and CCES, Explained*, Bipartisan Pol’y Ctr. (Feb. 24, 2025) <https://bipartisanpolicy.org/explainer/child-care-and-development-fund-ccdbg-cces/>.

⁷ Chien, *supra* note 5, at 1.

⁸ H.R. 4418, 119th Cong. (2025).

⁹ H.R. 5376 § 23001, 117th Cong. (as passed by House, Nov. 19, 2021).

¹⁰ Hailey Gibbs & Casey Peeks, *Trump’s Attack on Child Care Funding Undermines Early Educators, Shortchanges Children, and Increases Costs for Families*, Ctr. for Am. Prog. (Jan. 12, 2026), <https://www.americanprogress.org/article/trumps-attack-on-child-care-funding-undermines-early-educators-shortchanges-children-and-increases-costs-for-families/>.

¹¹ *Read the Memo Pausing Federal Grants and Loans*, N.Y. Times (Jan. 27, 2026), <https://www.nytimes.com/interactive/2025/01/27/us/omb-memo.html>.

¹² *New Administration Highlights: Freeze on Federal Funds Rescinded, and Trump Signs Law to Ease Path to Deportations*, N.Y. Times, <https://www.nytimes.com/live/2025/01/29/us/trump-federal-freeze-funding-news?smid=url-share#federal-freeze-grants> (last updated Nov. 18, 2025).

fund recipients in the child care community. These recipients are overwhelmingly non-profit organizations which generally operate with no more than a few days of reserve funds.¹³

Further, the Trump Administration has undermined Department of Health and Human Services staff, specifically those responsible for administering CCDF and providing support to states administering CCDBG and related programs. As the Center for Law and Social Policy summarized the issue,

[p]robatory staff at the Office of Head Start (OHS) and the Office of Child Care (OCC) were laid off in February, resulting in a reduction of approximately 20 percent of staff. This was followed by the mass layoffs announced on April 1, resulting in an overall reduction of 40–50 percent of staff in OHS and OCC and the closure of five regional offices, which provided training and technical assistance, administrative support in ensuring grants reached facilities, and served as a liaison between program administrators and the federal government. These offices in Boston, Chicago, New York, San Francisco, and Seattle oversaw grantees in 23 states and five territories, and comprised half of the total regional offices across the country.¹⁴

Regrettably, the Majority has followed this Administration’s lead. Instead of considering bills to help address the crisis by increasing the supply of child care, making child care more affordable, or increasing the wages of child care workers, the Committee considered H.R. 7722 and seven other bills to address alleged and unproven widespread fraud in the child care sector.¹⁵ None of these bills will create one more additional child care slot. Instead, these bills complement each other by throwing sand into the gears of CCDF, increasing the chances that states will be capriciously disqualified from federal child care assistance not due to widespread fraud, but non-compliance with red tape.

THE MAJORITY SEEKS TO UPEND THE EXISTING CHILD CARE SYSTEM
OVER UNPROVEN ALLEGATIONS OF WIDESPREAD FRAUD

National Attention on Alleged Widespread Fraud in Child Care

In late December 2025, a publicly posted video surfaced that purported to show “proof” that several day care centers in Minnesota were committing fraud. The video alleged these centers were taking federal child care funds, administered through the state, without

¹³ Press Release, Child Care Aware of America, *Child Care Aware of America Reacts to Federal Funding Pause* (Jan. 28, 2026), <https://info.childcareaware.org/media/child-care-aware-of-america-reacts-to-federal-funding-freeze>.

¹⁴ Shira Small, *Federal Cuts to Child Care and Head Start are an Attack on Families with Low Incomes*, Ctr. on L. & Soc. Pol’y (Apr. 23, 2025), <https://www.clasp.org/blog/federal-cuts-child-care-head-start/>.

¹⁵ H.R. 7720, the *Child Care Payment Integrity and Fraud Accountability Act*, H.R. 7721, *Combating Regulatory Abuse, Closing Known Deficiencies, and Overseeing Waste Nationwide (CRACKDOWN) Act*, H.R. 7722, *Child Care Integrity Monitoring Act*, H.R. 7723, *Safeguarding Taxpayer Dollars in Child Care Act*, H.R. 7724, *No Waivers for Fraud Act*, H.R. 7725, *Stop Child Care Fraud Act*, H.R. 7677, *Closing the Provider Fraud Gap Act*, and H.R. 7726, *No Funds for Repeat Child Care Violation Act* Before the H. Comm. on Educ. & Workforce, 119th Cong. (Mar. 5, 2026).

actually caring for children.¹⁶ Despite the fact that the Minnesota agency administering CCDF found that the child care centers were operating as expected at the time of the video,¹⁷ some media outlets and Republican officials brought national attention to the story.¹⁸ The Trump Administration then announced an immediate freeze on all child care funds to Minnesota¹⁹ and engaged its “Defend the Spend” system nationwide—requiring grantees to provide detailed documentation and proof of payment before receiving reimbursement for all funds distributed through the Administration for Children and Families at the Department of Health and Human Services (HHS).²⁰ Soon thereafter, HHS announced suspension of five states’ access to nearly \$10 million through CCDF, the Temporary Assistance for Needy Families, and the Social Services Block Grant.²¹ HHS provided no evidence of fraud in these five states—California, Colorado, Illinois, Minnesota, and New York—beyond the fact they are led by Democratic Governors. HHS claims this action was taken due to “concerns about widespread fraud and misuse of taxpayer dollars in state-administered programs” and concerns that these funds may have gone to those not eligible due to their immigration status.²² Thankfully, courts have blocked this funding freeze²³ but it is extremely concerning that the Administration sought to punish states without proof of such allegations.

Unfortunately, it is under the same unproven allegations and general theories of “widespread fraud” that the Majority chose to consider eight bills purporting to address fraud in CCDBG.²⁴ Like the Administration, the Majority did not produce any evidence of widespread fraud in the program, presenting only vague and unfounded allegations. Similarly, the Majority has chosen not to engage with (or even meaningfully acknowledge) the processes HHS already has in place, as required by law, charging states to prevent and catch fraud.

Existing Program Integrity Requirements

Generally, federal agencies must protect against improper payments in grant programs. The *Payment Integrity Information Act of 2019* (PIIA) requires Executive Branch agencies to determine if improper payment rates for programs have exceeded significant

¹⁶ Ken Bensinger & Ernesto Londoño, *An Intense White House Response From a Single Viral Video*, N.Y. Times (Dec. 31, 2025), <https://www.nytimes.com/2025/12/31/business/media/trump-conservatives-videos-viral-loop.html>.

¹⁷ Phil Helsel & Julia Ainsley, *Minnesota department finds child care centers targeted in viral video operating normally*, NBC News (Jan. 2, 2026), <https://www.nbcnews.com/news/us-news/minnesota-department-finds-child-care-centers-targeted-viral-video-ope-rcna252013>.

¹⁸ Bensinger & Londoño, *supra* note 16.

¹⁹ *Id.*

²⁰ Sakshi Venkatraman & Max Matza, *Trump administration says it’s withholding childcare funds from Minnesota amid fraud allegations*, BBC (Dec. 30, 2025), <https://www.bbc.com/news/articles/c75xndvlyko>.

²¹ Press Release, U.S. Dep’t of Health & Hum. Svcs., *HHS Freezes Child Care and Family Assistance Grants in Five States for Fraud Concerns* (Jan 6, 2026), <https://www.hhs.gov/press-room/hhs-freezes-child-care-family-assistance-grants-five-states-fraud-concerns.html>.

²² *Id.* (emphasis added).

²³ Minho Kim & Zach Montague, *Judge Extends Block on Trump Officials Slashing Funds to Democratic States*, N.Y. Times (Feb. 6, 2026), <https://www.nytimes.com/2026/02/06/us/politics/blue-states-trump-funding-lawsuit.html>.

²⁴ Press Release, Committee on Education & Workforce Republicans, *Chairman Walberg Delivers Opening Statement at Markup to Crackdown on Child Care Fraud* (Mar 5, 2026), <https://edworkforce.house.gov/news/documentsingle.aspx?DocumentID=413157>.

thresholds.²⁵ Agencies are considered noncompliant if any relevant program has an “improper payment rate” of more than 10 percent.²⁶ Improper payments include any payment made for an incorrect amount, to an ineligible recipient, or for an ineligible service. In the context of federal child care funds, an example of an improper payment would be a payment to a provider that was made in an incorrect amount (overpayment or underpayment) or that should not have been made at all.²⁷ However, the term “improper payments” does not automatically denote “fraud”. As stated in a Government Accountability Office Q&A report to the House Appropriations Committee, “[w]hile all fraudulent payments are considered improper, not all improper payments are due to fraud.”²⁸ PIIA directs federal agencies to, at least every three years, assess their programs to consider factors that may increase the risk of improper payments, including their susceptibility to fraud.²⁹

HHS generally assesses states’ compliance with law and regulations through its review and approval of a state’s CCDF plan, which “serves as the Lead Agency’s [the agency in a state or territory that administers the CCDF program] application for a three-year cycle of CCDF funds and is the primary mechanism OCC uses to determine Lead Agency compliance with the requirements of CCDBG and its regulations”.³⁰ In its review of the plan, HHS can identify places where a state is out of compliance and provides a state with the opportunity to address the particular issue or face penalties.³¹

More specifically, the CCDBG Act and its regulations already provide HHS with enforcement authority to ensure that states are complying with the program’s requirements. For example, the law gives HHS the authority to ensure states “comply substantially” with the law.³² Further, “after reasonable notice to a State and opportunity for a hearing”, HHS may disallow improperly spent funds, deduct improperly spent funds from subsequent allotments, take some combination of the those actions, or impose other sanctions.³³ Regulations make clear HHS ability to monitor these programs for compliance with law and addresses the process HHS and states may take when a “review or investigation reveals evidence” that a state’s child care agency or “an entity providing services under contract or agreement with” a lead agency has “failed to substantially comply” with the law, regulations, or provisions and requirements set out in the state’s plan.³⁴ It is also worth noting that law and regulation require states to arrange independent audits of their programs and require states to repay the federal government

²⁵ 31 U.S.C. § 3352. The statute defines significant as either \$10 million and 1.5 percent of total program outlays or \$100 million overall. *Id.*

²⁶ 31 U.S.C. § 3351.

²⁷ *See, e.g.*, 45 C.F.R. § 98.100(d).

²⁸ U.S. Gov’t Accountability Off., GAO–24–107482, Improper Payments: Key Concepts and Information on Programs with High Rates or Lacking Estimates 5 (2024), <https://www.gao.gov/assets/gao-24-107482.pdf>.

²⁹ 31 U.S.C. § 3352

³⁰ FY 2025–2027 *Child Care and Development Fund (CCDF) Plan for States and Territories*, Off. of Child Care, <https://acf.gov/occ/policy-guidance/fy-2025-2027-ccdf-plan-states-and-territories-ccdf-acf-pi-2024-01> (last updated July 15, 2024).

³¹ *Id.*

³² *E.g.*, 42 U.S.C. § 9858g(b)(2).

³³ *Id.*

³⁴ 45 C.F.R. § 98.90.

for funds that are found to be misspent or HHS can deduct these amounts from future payments to the state.³⁵ These are examples of ways the law and regulation aim to provide for program integrity.

Additionally, as the Government Accountability Office (GAO) noted in 2020, “[the Office of Child Care (OCC) at HHS] oversees states” improper payment risks through a process that includes a requirement for states to submit corrective action plans (CAP) when they estimate their annual payment error [or improper] rates are at or above 10 percent.”³⁶ Additionally, OCC conducts on-site monitoring reviews of each state for each three-year period.³⁷ HHS recently began the practice of posting oversight reports resulting from these visits.³⁸

Changes have been made over the years to improve program integrity. For example, in 2020, GAO published a report entitled “Child Care and Development Fund: Office of Child Care Should Strengthen Its Oversight and Monitoring of Program-Integrity Risks” that explained the need for HHS to assess fraud risks to the fund and highlighted nine recommendations to better protect the integrity of the fund.³⁹ GAO later indicated that HHS had addressed all nine of these recommendations.⁴⁰ However, regardless of any recent improvements that have been made, the Trump Administration’s reductions-in-force in 2025 did nothing to improve program integrity as fewer staff were now available to help monitor the program.

Cases of Actual Fraud Should Be Addressed, Not Politicized

Fraud in child care should be taken seriously, not politicized. The Majority have proposed bills—including H.R. 7722, the *Child Care Integrity Monitoring Act of 2026*— that could have the overall effect of upending the child care system to address a problem that has not been proven to exist. These changes could cause states to spend more of their child care funds on administrative and oversight costs, reducing the supply of child care available to families, and punishing states and child care providers for unintentional administrative and human errors.

H.R. 7722 WILL REDUCE STATES ABILITY TO USE
CCDF FUNDING FOR FAMILIES

H.R. 7722, the Child Care Integrity Monitoring Act, would require comprehensive reviews of the performance of individual states under CCDBG at three-year intervals. It is unclear to what extent this would duplicate or codify existing practices within the CCDF, given that HHS launched a comprehensive review system in 2019, under which the Department began conducting onsite reviews every three years (aligned with the state plan cycle) to en-

³⁵ CCDBG Act § 658K(b), 42 U.S.C. § 9858i; 45 C.F.R. § 98.65.

³⁶ U.S. Gov’t Accountability Off., GAO-20-227, Office of Child Care Should Strengthen Its Oversight and Monitoring of Program-Integrity Risks, (2020), <https://www.gao.gov/assets/gao-20-227-highlights.pdf>.

³⁷ *FFY 2025-2027 CCDF Federal Onsite Monitoring & Oversight Visits*, Off. of Child Care, <https://acf.gov/occ/report/ffy-2025-2027-monitoring-reports-oversight-visits> (last updated Mar. 2, 2026).

³⁸ *Id.*

³⁹ U.S. Gov’t Accountability Off., *supra* note 36.

⁴⁰ *Id.*

sure compliance with the CCDBG Act, program regulations, and state plans. As GAO noted, these reviews also help HHS to identify state technical assistance needs and promising practices to “inform continuous quality improvement.”⁴¹ The bill would also require states with “a high level” of unresolved or repeated adverse audit findings”; “a high level of unresolved issues” under corrective action plans; or, unresolved or repeat findings of noncompliance with state plans to be designated as “high risk”. The bill does not define what a “high level” of any of the above indicators would be or whether this would be set using a relative measure or threshold. States designated as “high risk” “shall be subject to additional monitoring, as determined by the Secretary.” The bill does not specify what additional monitoring might entail, nor does it provide additional funding for monitoring and oversight. Committee Democrats fear this vagueness is intentional as it would allow the HHS Secretary a plenary power over state CCDBG participation that could be easily politicized or abused.⁴² States are already subject to stringent program integrity requirements in CCDBG. This bill’s vague standard could be misapplied to drive them to leave the program altogether, rather than submit to overly burdensome Secretarial requirements.

Currently, states are subject to multiple types of monitoring, including (but not limited to) reviews of state plans, error rate reviews, and on-site monitoring reviews.⁴³ While those three types of review occur at least once every three years, there are other types of review or oversight that occur on a more frequent or ad hoc basis. These include reviews of state plan amendments, reviews of expenditure data, oversight of lead agencies placed on corrective action plans, and investigations conducted in response to complaints that a lead agency has failed to comply with program requirements.⁴⁴

The current system has strong deterrents for states and providers that act counter to the law. Regulations already require states to discontinue assistance in the event of substantiated fraud or intentional program violations.⁴⁵ Similarly, states are already required to recover child care payments resulting from fraud, and state plans already must describe the internal controls in place to ensure integrity and accountability, as well as the processes in place to investigate and recover fraudulent payments.⁴⁶

⁴¹*Id.* at 11.

⁴²See *supra* text accompanying notes 16–24.

⁴³See 42 U.S.C. § 9858c; 45 C.F.R. § 98.18 (regarding contents and approval of state plans); 45 C.F.R. §§ 98.90–93 (Monitoring, Non-compliance and Complaints); 45 C.F.R. §§ 98.100–102 (Error Rate Reporting).

⁴⁴See, e.g., 45 C.F.R. § 98.65 (“Audits and financial reporting”) 45 C.F.R. §§ 98.90–93; 98.102(c). These longstanding regulations have already been operationalized by the HHS Administration for Children and Families. See U.S. Dep’t of Health & Hum. Svcs., Admin. for Child. & Fams., *Instructions for Completion of Form ACF-696 Financial Reporting Form for the Child Care and Development Fund (CCDF) State & Territory Lead Agencies*, OMB #0970-0510 <https://acf.gov/sites/default/files/documents/occ/Attachment-C-Instructions-for-Completion-Form-ACF-696-ACF-OCC-PI-2025-07.pdf>.

⁴⁵45 C.F.R. § 98.60(i) (“Lead Agencies shall recover child care payments that are the result of fraud. These payments shall be recovered from the party responsible for committing the fraud.”); 45 C.F.R. § 98.68(b) (“Lead Agencies are required to describe in the Plan the processes that are in place to identify fraud or other program violations . . .”).

⁴⁶*Id.*; 45 C.F.R. § 98.16(ff) (requiring state plans to include “A description of internal controls to ensure integrity and accountability, processes in place to investigate and recover fraudulent

Across these review and oversight processes, categories and definitions for how error rates are to be calculated and reported are established in regulation. This includes, but is not limited to, percentage of improper payments, average amount of improper payments, and the estimated annual amounts of improper payments.⁴⁷

It is the position of Committee Democrats that these standards and processes help to dissuade the implementation of fraud. Ensuring the integrity of the CCDBG program is certainly essential, but adding vague requirements for states would take away funds from the main purpose of the program—to provide for families in need of child care payment assistance—and require states to spend more on administrative and oversight costs.

This bill overly complicates what is needed to effectively administer this program and ensure program integrity, while at the same time creating uncertainty for well-meaning providers. All the while, this change is being sought with no evidence that the current system is not ensuring program integrity and providing accountability mechanisms to address bad actors.

DEMOCRATIC AMENDMENTS OFFERED DURING MARKUP OF H.R. 7722

Representative Mark DeSaulnier (D–CA) put forward an amendment to require HHS Secretary Robert F. Kennedy, Jr. to testify before the Committee within 30 days of enactment of the bill. While the Committee is usually afforded an opportunity to hear from the HHS Secretary, no such hearing has yet occurred despite repeated requests from Democratic Members.⁴⁸ This amendment would ensure that the Secretary appears before the Committee to answer Members’ questions about the ways this Administration’s actions are impacting the CCDBG program, states’ administration of the program, as well as its impact on families needing assistance with child care. Committee Republicans rejected the amendment on a party-line vote.

CONCLUSION

We must reiterate that there has been no evidence provided of the Majority’s allegations of widespread fraud. While it is important to address any instance of fraud with federal funds designed to support child care programs, this bill would hurt the program more than it would help, injecting unnecessary politicization into the process. For this and all the reasons stated above, Committee Democrats unanimously opposed H.R. 7722 when the Committee on Education and Workforce considered it on March 5, 2026. We urge the House of Representatives to do the same.

payments and to impose sanctions on clients or providers in response to fraud, and procedures in place to document and verify eligibility . . .”);

⁴⁷ 45 C.F.R. §98.102.

⁴⁸ *E.g.*, Examining the Policies and Practices of the Department of Health and Human Services Before the H. Comm. on Educ. & the Workforce, 118th Cong. (2024); Examining the Policies and Practices of the Department of Health and Human Services Before the H. Comm. on Educ. & the Workforce, 118th Cong. (2023); Examining the Policies and Practices of the Department of Health and Human Services Before the H. Comm. on Educ. & Lab, 117th Cong. (2022); Letter from Democratic Members, H. Comm. on Educ. & Workforce, to The Hon. Tim Walberg, Chair., H. Comm. on Educ. & Workforce (Mar. 4, 2026) https://democrats-edworkforce.house.gov/imo/media/doc/committee_democrats_letter_to_walberg_re_hhs_oversight.pdf.

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