

**January 12, 2026** – The federal child care program has a long history of bipartisan support, with a proven track record in strengthening families, fostering child development, and fueling the economy. Fraud is unacceptable and diverts critical resources from eligible working families with young children. The federal child care program already includes strong safeguards. Any additional oversight or necessary corrective action should be swift, targeted, and proportional, while ensuring that eligible families and children continue to receive the support they need. Federal leaders should continue to prioritize child care and ensure the program fulfills its core mission: caring for the nation's youngest learners and supporting the working families who rely on it.

### Updates

**1/9/26:** On Friday, January 9, a [federal judge ruled](#) that the White House "cannot block federal money for child care subsidies and other programs aimed at supporting needy children and their families from flowing" to five states (California, Colorado, Illinois, Minnesota, and New York). While the judge "did not rule on the legality of the funding freeze," he said the five states "had met a legal threshold 'to protect the status quo' for at least 14 days while arguments are made in court."

**1/8/26:** On Thursday, January 8, "California, Colorado, Illinois, Minnesota and New York [filed a lawsuit in federal court](#) in Manhattan after the U.S. Department of Health and Human Services on Tuesday said it had restricted their access to the funds pending further review."

**1/6/26:** The White House announced it was [freezing \\$10 billion in funding](#) for social services for five states – California, Colorado, Illinois, Minnesota, and New York. The Trump administration is freezing \$10 billion in funds for social services and child care in five Democratic-led states, according to a Department of Health and Human Services official, with the agency suggesting without evidence that the funding has been used fraudulently. According to reports, "HHS will cut off \$7.4 billion in funding for the Temporary Assistance for Needy Families program, which provides cash assistance to households, along with nearly \$2.4 billion for the Child Care and Development Fund. The department will also hold around \$870 million from the Social Services Block Grant."

### The Ask to Congress

We urge leaders to act with urgency to ensure that the Administration for Children and Families disburses CCDF funding without further disruption, while working in partnership with states as they deliver CCDF funding efficiently and responsibly. We also urge Congress to protect and prioritize child care investments during the Appropriations process, continue the strong, bipartisan support for the Child Care and Development Block Grant program, and build upon efforts to increase access to affordable, quality child care.

### Key Takeaways

## **Child care is essential for working families with young children.**

- Child care is foundational to the health and wellbeing of our nation, strengthening families, young children, and economy.
- The Child Care Development Fund (CCDF) is a federal program that makes it possible for hundreds of thousands families – in [every state and Congressional district](#) – to afford safe, quality care for their children while parents work or go to school.
- Without it, child care would be unaffordable, causing increased financial strain, employment disruption, stress, and instability for families across the country.

## **Strong oversight and accountability are necessary.**

- While the CCDF already has strong safeguards in place, incidents of fraud can still occur. Leaders have a responsibility to address problems consistently and swiftly.
- Fraud is unacceptable, especially as it can deprive eligible families who are anxiously stuck on waiting lists from accessing the care they rely on. Every federal child care dollar must be used properly and effectively to support hard-working families as it is intended.
- Strong state oversight is critical to ensure young children have trusted, safe, quality care. This must be coupled with necessary internal controls at all levels – federal, state, and provider – to safeguard the integrity of the program.

## **Response to problems must be swift, targeted, and proportional.**

- When problems are detected, oversight should be swift, targeted, and proportional to address problems while still ensuring families and children have the support they need.
- Broad freezes of child care funds risk harming working families and children who rely on these resources to afford safe, reliable child care. The federal government should work with states to ensure funding continues to reach eligible children and hard-working families.

## **Additional Background And Context**

### **On The Hill**

- January 7: [House Oversight Committee hearing](#)
- January 13: [House Ed and Workforce Committee hearing](#), "Who's Watching the Kids? How Employers, Innovators, and Parents Are Solving America's Child Care Crunch"
- Jan 13: [House Oversight Committee hearing](#), "Curbing Federal Fraud: Examining Innovative Tools to Detect and Prevent Fraud in Federal Programs"
- January 28: [Senate Judiciary subcommittee](#) hearing called by Sen. Ted Cruz
- Feb 10th: House Oversight Committee Hearing - Governor Walz and AG Ellison have been invited

## **Child Care Is Essential To Families and Young Children**

- The Child Care Development Fund (CCDF) is a federal program that makes it possible for hundreds of thousands families – in [every state and Congressional district](#) – to **afford safe, quality care for their children** while parents work or go to school. It includes the Child Care & Development Block Grant (CCDBG), funding that has a long history of bipartisan support.
- CCDBG serves more than [921,000 children](#) 5 and under nationwide.

- CCDBG gives **parents more choices**, helping them access child care options that fit their needs, including child care centers, home-based care, or faith-based programs.
- The average cost of child care in the United States is more than **\$13,000 a year** (or over \$1,000 a month). With CCDBG, the average child care copay drops to **\$3,400 a year** (or \$284 a month). Note: *The average copay amount varies widely among states, ranging from \$15 in Oregon to \$1,075 in Vermont.*
- Learn more with data and background on CCDBG from FFYF.

## Polling: Federal Child Care Support is Overwhelmingly Popular

Federal support for child care is overwhelmingly popular among Americans, who strongly recognize the need for help making child care more affordable for families with young children.

- In recent polling, a wide majority of Americans say increasing federal funding for child care is an important priority and a good use of tax dollars, including 72% of Republicans, 70% of Independents and 90% of Democrats.
- Fully two-thirds (69%) of Rural Americans say federal funding for child care and early learning programs is a good investment of taxpayer money. And a strong majority (55%) of Rural Americans would like to see that funding increase.
- And CCDBG is an exceedingly popular program with voters wanting to support it and see it expanded to reach even more eligible families and children. According to polling, an overwhelming majority (85%) were in favor of increasing funding for CCDBG, including 74% of Republicans, 86% of Independents, and 96% of Democrats.

## Existing Oversight Mechanisms

The design of the CCDF program gives states flexibility and discretion on how they use the funding, which allows them to best meet the needs of their families. This means it is important to have safeguards that protect these programs and ensure our youngest learners have safe, affordable places to receive care while their parents are working.

By law, the following federal and state oversight mechanisms are required:

### Current Federal Oversight Mechanisms (HHS / ACF)

- Payment Management Review
- CCDF State Plan Approval
- Program Reviews and Monitoring
- Audit Resolution
- Targeted Conditions or Restrictions

### Current State Oversight Mechanisms

- Internal Controls
- State Audits and Inspector General Reviews
- Fraud Detection and Investigations
- Provider Monitoring

## Original Source: Language from Statutes and Letters

[Code on Federal Regulations](#), with information on eligibility (including income, citizenship status, age, and more).

- Eligible children must be under 13 years of age; or under age 19 and physically or mentally incapable of caring for himself or herself, or under court supervision;
- Reside with a family whose income does not exceed 85 percent of the State's median income;
- Reside with a parent or parents who are working or attending a job training or educational program;
- With eligibility determined by the citizenship and immigration status of the child.

The [text of the lawsuit](#) filed by the five states with the United States District Court for the Southern District of New York.

Details of new HHS requirements:

- Of the five states, HHS requested [detailed data](#), "including the names and Social Security numbers of everyone who received benefits from some of the programs since 2022."
- Other states have new requirements as well. "To get distributions of their allotted child care funds through an online system, they must first [verify enrollment and attendance](#) at child care centers and submit 'a strong justification for the use of funds that aligns with' the purpose of the program."

## Links

- FFYF Briefing Room explainer, "[Accountability and Oversight, Essential To Affordable Child Care.](#)"
- [First Five Years Fund](#) Statement
- FFYF [State Fact Sheets](#) with CCDBG data