CHILDREN'S HealthWatch

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February 4, 2026

The Honorable Robert F. Kennedy, Jr.
U.S. Department of Health and Human Services
200 Independence Ave SW
Washington, DC 20201

RE: Docket number 2025-24272 / RIN number 0970-AD20

Dear Secretary Kennedy,

Thank you for the opportunity to submit comments on the Department of Health and Human Services (HHS) notice of proposed rulemaking (NPRM), "Restoring Flexibility in the Child Care and Development Fund (CCDF)", published in the Federal Register on January 5, 2026. On behalf of Children's HealthWatch, we write in strong opposition to the NPRM and urge HHS to immediately withdraw its proposal and leave in effect the current regulations, as codified in the 2024 rule, "Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund."

Children's HealthWatch is a nonpartisan network of pediatricians, public health researchers, and policy experts who examine how policy decisions affect the health and well-being of young children and their families. We accomplish this by interviewing caregivers of young children under age four in emergency departments and primary care clinics in four U.S. cities: Boston, MA; Minneapolis, MN; Little Rock, AR; and Philadelphia, PA. Since 1998, we have interviewed more than 80,000 caregivers and analyzed those data to determine the impact of policy decisions on the health and development of young children.

As pediatricians and public health researchers who care for children each day, we understand firsthand that high-quality, accessible, and affordable child care is essential to support children and their parents. A large body of evidence consistently demonstrates the importance of high-quality early environments. However, this care, especially for infants and toddlers, can be difficult to find. For families, the interrelated barriers of cost, location, hours, and availability of high-quality child care may restrict parents' ability to pursue work, training, or education.

This persistent problem attaining child care was underscored and exacerbated during the COVID-19 pandemic, when fewer centers were able to operate, the provider workforce declined, and more parents, especially mothers, were forced to leave their jobs or significantly reduce their hours to care for their children.[1,2] HHS' 2024 rule was designed to address the child care unaffordability crisis facing families across the country.[3] The rule included provisions that improved program integrity, gave parents more flexibility when selecting child care providers, and maximized program participation. Rescinding these provisions will harm parents, children, and providers by making child care more expensive and less accessible, negating any proposed savings the NPRM states it will generate. It will harm progress of states too, as 31 states were already in the process of updating their subsidy structures to align with the 2024 rule.[4]

The Proposed Rule Will Harm Parents and Children

Repealing the 7 percent co-payment cap

The proposed rule intends to increase flexibility in the CCDF, but in reality would reduce the choices available to parents while increasing costs. The current rule places a cap on child care co-payments for families receiving a subsidy at 7 percent of total household income. According to data from the Survey of Income and Program Participation, families with low incomes who do not receive child care subsidies spend an average of 35 percent of their income on child care costs. Currently only one in seven families who are eligible for child care subsidies participate in the program.[5] This is a consequence of inadequate federal funding to meet need, as well as barriers to access and use a child care subsidy. In

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[1] Crouse, G., Ghertner, R., Chien, N. "Child Care Industry Trend During the Recovery from the COVID-19 Pandemic," office of the Assistant Secretary for Planning and Evaluation, Office of Human Services Policy. Janaury 2023. https://aspe.hhs.gov/sites/default/files/documents/71981d3ec3a1d02537d86d827806834b/Child-Care-Trends-COVID.pdf

[2] KPMG, "The great exit: College educated mothers of young children leaving the labor force." October 2025. https://kpmg.com/us/en/articles/2025/october-2025-the-great-exit.html

[3] Office of Child Care, Administration for Children and Families, "2024 CCDF Final Rule: Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund," https://acf.gov/occ/outreach-material/2024-ccdf-final-rule.

[4] Meade, Erica, "A State-by-State Summary of Prospective Payments Implementation Approaches," New America. September 2025. https://www.newamerica.org/new-practice-lab/blog/approaches-to-implementing-prospective-payments/

[5] U.S. Government Accountability Office "Child Care: Subsidy Eligibility and Use and State Waiver Requests Related to New Program Requirements," January 2025. https://www.gao.gov/products/gao-25-107754

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order to afford the national average cost of infant care at 7 percent of household income, a family would have to make at least $180,000 per year.[6]

The 7 percent co-payment cap set in the 2024 rule, defined by HHS as "affordable", reduces cost barriers for families with low incomes. Removing the co-payment cap will further stretch the already limited budgets of families with low incomes, leading to greater unaffordability.□□ is out of reach, children simply cannot attend – jeopardizing their health and dev[7]□ Access to high-quality child care is also a critical determinant of school readiness, cognitive and social outcomes, and later educational and career success for children living in low-in[8]□[9]□[10]□[11]□Losing access to child care puts the long-term well-being of children at risk by increasing their likelihood of experiencing developmental and educational delays.[12]

High costs and other barriers can lead to child care constraints, when parents are unable to work or further their education because of difficulties accessing child care, in turn reducing economic mobility and overall earnings.[13] When families are forced to take time off work or school - or even leave the workforce - in order to care for their children, their finances suffer, which puts child care further out of reach. This loss of income also makes it harder for families to afford other basic needs, like food, rent, and healthcare. Children's HealthWatch research shows families experiencing child care constraints are twice as

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[6] Javaid, Sarah, and Boteach, Melissa "Child care is unaffordable in every state," National Women's Law Center. February 2025. https://nwlc.org/wp-content/uploads/2025/01/Child-Care-Is-Unaffordable-in-Every-State-January-2025.pdf

[7] Helping your child make connections: making the most of the brain gain. Arlington, VA: The National Association of Child Care Resource and Referral Agencies; 2012.

[8] Camilli G, Vargas S, Ryan S, Barnett W. Meta-analysis of the effects of early education interventions on cognitive and social development. Teachers College Record. 2010;112(3):579-620.

[9] Black MM, Walker SP, Fernald LCH, Andersen CT, DiGirolamo AM, Lu C, et al. Early childhood development coming of age: science through the life course. Lancet. 2017;389(10064):77-90.

[10] McCoy D, Yoshikawa H, Ziol-Guest K, Duncan G, Schindler H, Magnuson K, et al. Impacts of early childhood education on medium- and long-term educational outcomes. Educational Research. 2017;46(8):474-487.

[11] Annie D. Schoch, Cassie S. Gerson, Tamara Halle, and Meg Bredeson, "Children's Learning and Development Benefits from High Quality Early Care and Education: A Summary of the Evidence," U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation, August 2023, https://www.acf.hhs.gov/sites/default/files/documents/opre/%232023-226%20Benefits%20from%20ECE%20Highlight%20508.pdf

[12] American Psychological Association. (2023, June 15). High-quality child care contributes to later success in science, math [Press release]. https://www.apa.org/news/press/releases/2023/06/quality-child-care-science-math

[13] Bruce C, Bovell-Ammon A, Ettinger de Cuba S, Poblacion A, Rateau L, Cutts D. Access to High-Quality, Affordable Child Care: Strategies to Improve Health. Children's HealthWatch, 2020.

likely to experience household food insecurity and 1.34 times more likely to be unstably housed when compared to families who did not experience child care constraints.[10]

Removing the co-payment cap on CCDF assistance will force families to make choices based on cost rather than what best meets their needs, and will put child care fully out of reach for some. Crucially, the 2024 rule caps co-payments at 7 percent of household income regardless of the number of children in the family, meaning the new rule will further penalize multi-child households. If the cap is repealed, families with one child will have their costs increased from 7 percent of their income to the state-determined co-payment level. But for multi-child households, their costs will increase from a total cost of 7 percent of income to the level of the new cap *plus* the co-payment amount for each additional child. In fiscal year 2022, there were 1.4 million children from 870,900 families currently receiving CCDF assistance per month. A sizable portion of these families have multiple children and will be faced with compounded cost increases as the proposed rule fails to cap co-payments regardless of family size.[14]

Repealing the use of grants and contracts for direct services

There is currently a gap in the number of children needing child care (14.8 million) and available child care slots (10.8 million), particularly in low-income and rural areas.[15] The current rule requires states to provide some child care through grants and contracts for children with disabilities, infants and toddlers, and families in underserved geographic areas. This fulfills the statutory requirement that parents are offered a voucher or contracted slot and helps states build child care supply for underserved communities.

Mandating the use of grants and contracts for some direct services helps families and providers overcome barriers that prevent some children from accessing care. Children with disabilities often require extra support, which some providers are not equipped for. In fact, 34% of parents of children with disabilities reported at least some difficulty finding appropriate child care, as compared to 25% of parents of children without disabilities.[16] Similarly, caring for infants and toddlers requires more staff than caring for older children, limiting provider options and availability for very young children. These issues are also

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[14] Office of Child Care, Administration for Children and Families, "FY 2022 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served," January 2025, https://acf.gov/occ/data/fy-2022-preliminary-data-table-1.

[15] Buffet Early Childhood Institute, Child Care Aware of America, and Bipartisan Policy Center, "New Interactive Reveals 4.2 Million Children Nationwide Lack Access to Child Care, Costing U.S. Economy up to $329 Billion," September 2025, https://buffettinstitute.nebraska.edu/news-and-events/news/2025/09/new-interactive-map-reveals-42-million-children-nationwide-lack-access-to-child-care.

[16] Novoa, Cristina," The Child Care Crisis Disproportionately Affects Children with Disabilities," Center for American Progress. January 2020. https://www.americanprogress.org/article/child-care-crisis-disproportionately-affects-children-disabilities/

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compounded in rural communities, which have few providers who may be far from families, further limiting their choices. The 2024 rule addressed these accessibility issues and promoted a better supply of child care for families who may have been unable to enroll their children in child care in the past.

These grants and contracts are effective tools to stabilize and increase the supply of child care, especially in rural and low-income areas. Increasing the supply of child care providers creates more flexibility for parents by giving them more options and ensures as many children as possible have access to high-quality child care. It also increases the resources available to providers who would not otherwise be able to provide care where there are shortages, further insulating children from the harms of losing access to child care. As of December 2024, there were already ten states using grants or contracts for infant and toddler care, nine states using grants or contracts to address the supply of care in underserved areas, and six states using grants or contracts for care for children with disabilities.[17]

Under the current rule, parents are still able to receive vouchers and certificates to use at child care providers of their choosing and these subsidies are not limited by the existence of direct service contracts and grants. These contracts work in tandem with family vouchers and certificates by offering providers greater financial stability and predictability and helping build the supply of child care, particularly the types of care that are in shortest supply.[18] Rescinding the requirement that states use some of the funds they receive through CCDF to stabilize and increase child care supply with grants and contracts will only reduce the number of available providers and undermine their ability to guarantee stable services, ultimately shutting some children out of care entirely and negatively impacting the physical, mental, and financial health of families across the country.

The Proposed Rule Will Harm Child Care Providers

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[17] Upcoming data from the 2026 NAEYC ECE Workforce Survey.

[18] State Subsidy Policies in Early Education Programs' Decisions to Accept Subsidies: Evidence from Nationally Representative Data," 2023, Early Education and Development 35 (4): 859–77. doi:10.1080/10409289.2023.2244859; Roberta Weber and Deana Grobe, "Contracted Slots Pilot Program Evaluation: Final Report," Oregon State University, Family Policy Program, November 2015, https://health.oregonstate.edu/sites/health.oregonstate.edu/files/occrp/pdf/cs-final-report-11-30-2015.pdf; Kate Giapponi Schneider, Marji Erickson Warfield, Pamela Joshi, Yonsook Ha, and Dominic Hodgkin, "Insights into the Black Box of Child Care Supply: Predictors of Provider Participation in the Massachusetts Child Care Subsidy System," 2017, Children and Youth Services Review 79: 148-159, https://www.sciencedirect.com/science/article/abs/pii/S0190740917300750

Additional provisions in the NPRM will destabilize child care providers, which has ripple effects for children, families, and the economy as a whole. Repealing the requirement that providers are paid prospectively goes against industry norms and jeopardizes the ability to provide high-quality child care. Private-pay families often pay for services up to a month in advance, and a survey conducted by the National Association for the Education of Young Children (NAEYC) found that 77 percent of child care directors and administrators require families to pay prospectively.[19]

By receiving payments in advance, providers are better able to budget and afford the costs of running a business. However, child care providers participating in the subsidy program are often reimbursed weeks after care has been given, making participation in the program challenging. When providers do not know when they're going to be paid for services, it may force them to limit the number of subsidized students they can accept or cause them to forgo participation altogether. While child care providers are not required to accept subsidies, in 2023 NAEYC found that 80 percent of child care program administrators would be more likely to serve families utilizing subsidies if providers were paid by enrollment rather than attendance.[15]

This ultimately reduces the child care options available to families and destabilizes providers' finances. When there are fewer options for child care, reduced seats in classrooms, and higher costs for care, children lose access and their health and development will suffer . Children learn and grow best in safe, stable environments free of stress,. Strong relationships with adults, like those formed between teachers and students in child care settings, promote healthy development and set them up for success throughout life.[20,21]

Similarly, removing the requirement that providers are paid based on enrollment rather than attendance goes against industry norms and makes it harder for providers to offer stable services. When you take a flight, you pay for your ticket ahead of time. This money helps the airline prepare for the number of passengers and budget any maintenance or

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[19] NAEYC, "Improving Child Care Access, Affordability, and the Child Care and Development Fund (CCDF): A Proposed Rule by the Department of Health and Human Services on 7/13/2023," August 2023, https://www.naeyc.org/sites/default/files/wysiwyg/user-73607/naeyc_nprm_comments.final.pdf.
[20] Substance Abuse and Mental Health Services Administration, "*Recognizing and treating child traumatic stress*." April 2022. www.samhsa.gov/child-trauma/recognizing-and-treat-ing-child-traumatic-stress.
[21] Center on the Developing Child at Harvard University, "*What is early childhood development? A guide to the science.*" https://developingc-hild.harvard.edu/guide/what-is-early-childhood-development-a-guide-to-the-science

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other work that needs to be done before the flight. Reimbursing child care providers after care has been given is like paying for your flight once you've landed at your destination.

Paying based on enrollment gives providers stability when budgeting, instead of their profits being impacted by factors out of their control, like absences due to illness or vacation. The costs of running a business do not decrease when a child is absent, so neither should the amount they are paid. Requiring payment based on enrollment not only benefits child care programs, but also families who receive subsidy dollars by maximizing choice and minimizing risk of financial uncertainty. Paying providers before services are rendered, at a rate that reflects enrollment rather than attendance, makes participation in the child care subsidy program more attractive and aligned with the private child care industry. Increasing the number of providers participating in the subsidy program gives families with low incomes more options, expanding family choice while increasing provider stability. Access to stable, high-quality child care benefits children for a lifetime – rescinding the 2024 rule will harm the health and well-being of the 1.4 million children receiving subsidies each month, and these impacts will have ripple effects to all families by reducing the resources providers have access to and limiting parents' ability to work as desired.[11]

Conclusion

Decades of research show that access to high-quality child care benefits children and families, both during enrollment and later in life. CCDF is an essential part of ensuring all families, regardless of income, have access to these services. The 2024 rule promoted provider stability and family choice, giving families the flexibility and freedom to choose the child care provider that worked for them. Rescinding this rule will cause providers to reduce participation in the program, increase costs for families, and reduce families' options.

As a network that includes pediatricians, parents tell us about their stress related to child care. The unaffordability and inaccessibility of high-quality care options limits parents' ability to participate in the workforce and can have negative consequences for children's growth, health, and future success.

The 2024 rule began to make improvements in promoting access to and stability of child care. The NPRM undermines the progress made, and will put child care providers and families at risk of financial hardship, while also denying children access to these health-

boosting programs. As a network of pediatricians and researchers, we urge the Administration to withdraw its proposal and leave the current regulations, as codified in the 2024 rule, in effect.

Sincerely,

Stephanie Ettinger de Cuba, PhD, MPH

Executive Director, Children's HealthWatch