



Bipartisan Policy Center Action

FEBRUARY 2026

Modernizing the Child Care & Development Fund

Strengthening Program Integrity & Oversight

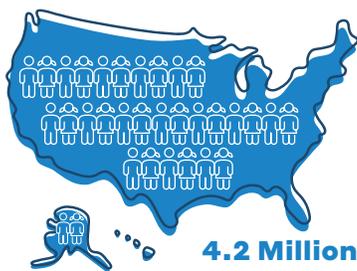
What is CCDF and Why Does it Matter?

The Child Care and Development Fund (CCDF) is the federal government’s primary child care assistance fund, supporting low-income working families through a federal–state partnership. Administered under the Child Care and Development Block Grant (CCDBG), CCDF helps parents remain attached to the workforce by supporting access to licensed providers across a mixed-delivery system, thus mitigating broader economic disruptions associated with child care instability. Research consistently shows that gaps in child care access reduce labor force participation, increase absenteeism, and impose costs on employers and regional economies.

How Does CCDF Oversight Currently Operate?

CCDF operates through a federal–state structure in which states administer the program in accordance with broad federal statutory requirements and the commitments states outline in their approved plans. Within this framework, states are responsible for day-to-day administration and compliance, while federal guidance and shared tools related to program integrity remain relatively high-level. This structure provides flexibility, but variation in administrative systems, guidance, and data tools can shape how improper-payment risk is identified and addressed.

CCDF National Snapshot

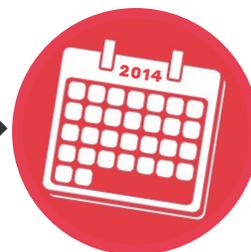


4.2 Million Children
nationwide potentially lack access to child care.

\$216.4 - \$329.4 Billion
Cost of gap over a 10-year period

ONE YEAR

\$51,688 to \$78,689
Estimated economic cost per gap.



2014
Last reauthorization of the Child Care and Development Block Grant (CCDBG)

CCDF supports parents’ ability to remain attached to the workforce, helps providers offer regulated and licensed care, and mitigates broader economic disruptions associated with child care instability.



55,400,000
children age 13 and under



21,125,000
Adults in the labor force who have children under 6 years old



Lower-income families (**84%**), middle-income families (**84%**), and higher-income families (**55%**) report difficulty working due to unmet child care needs



How Can Congress Help Strengthen CCDF Program Integrity and Oversight?

For example, although improper-payment reporting separates categories, the data are not consistently broken out in ways that clearly distinguish common administrative errors from intentional fraud across states. As a result, it can be difficult to compare patterns and determine where targeted oversight and support are most needed.

Strengthening program integrity within CCDF requires reinforcing oversight tools and supporting states operating within the federal–state framework. Clearer guidance, improved transparency, and stronger administrative capacity can help ensure that improper-payment risk is identified and addressed in a timely and proportionate manner.

Through federal action, Congress could:

- Identify & Report the Root Causes of Improper Payments
Improve transparency around the root causes of improper payments by clearly distinguishing between fraud, administrative error, and technical noncompliance, to identify risk earlier and support more tailored responses. Clear disaggregation strengthens confidence in oversight data and allows risk-management functions to respond proportionately.
- Strengthen Oversight Processes
Bolster processes to ensure that payment integrity issues identified in corrective action plans are escalated appropriately and resolved in a timely and durable manner, while maintaining flexibility within the existing federal–state partnership.
- Enhance Data & High-risk Identification Tools
Strengthen the use of data-driven indicators to identify improper-payment risk, including fraud, and enable earlier, prevention-focused oversight before families or providers are affected.
- Strengthen Federal and State Capacity to Support Effective Oversight
Effective program integrity depends on strong administrative systems and monitoring infrastructure. Federal and state investments may be needed to strengthen oversight capacity, including improved data systems, staff training, and enhanced monitoring activities—such as increased or unannounced site visits where appropriate. Reinforcing system capacity can support more data-informed and proportionate oversight while maintaining stability for families and providers.

