

April 7, 2026

The Honorable Bill Cassidy, M.D.  
Chairman  
U.S. Senate Committee on Health,  
Education, Labor, and Pensions

The Honorable Bernie Sanders  
Ranking Member  
U.S. Senate Committee on Health,  
Education, Labor, and Pensions

**Marcus C. Evans Jr.**

President, NCSL  
Assistant Majority Leader,  
Illinois

**Lonnie Edgar**

Staff Chair, NCSL  
Mississippi Joint Legislative  
PEER Committee

**Tim Storey**

Chief Executive Officer,  
NCSL

Dear Chairman Cassidy and Ranking Member Sanders,

The National Conference of State Legislatures, the bipartisan organization representing the legislatures of our nation's states, territories, commonwealths and the District of Columbia, appreciates the opportunity to comment on the committee's Child Care Program Integrity Discussion Draft.

NCSL supports the Child Care Development Block Grant (CCDBG) program, which serves as the main source of federal funding dedicated to child care subsidies for low-income working families and parents engaged in job training or other educational opportunities. Federal policy that supports states in addressing issues of child care access, affordability, and quality, while preserving state flexibility and maintaining program integrity, is a priority for state legislatures. Below, please find our feedback on the discussion draft.

**Changes to Eligibility Verification**

NCSL members support robust program integrity to ensure federal child care funds go only to eligible families. NCSL also supports efforts to reduce workforce barriers, recognizing child care as vital for working families. However, we are concerned that requiring eligibility verification every six months instead of annually as proposed in Section 2(a)(1)(A) may harm families with fluctuating incomes. This "benefits cliff" may result in families losing subsidies and, consequently, their jobs.

Additionally, moving from annual to biannual eligibility verification would also greatly increase administrative costs to states. States would likely need to increase their eligibility workforce to process twice as many eligibility verifications in a year or would see longer wait times to process eligibility determinations with their existing workforce.

**Verification of Attendance with Electronic Authentication Tools**

NCSL is concerned about the cost to states associated with requiring the use of electronic authentication tools for verifying attendance proposed in Section 2(a)(C) and Section 2(a)(C)(2). While the language in the draft is clear that states will be required to ensure providers use electronic authentication tools, it does not address what entity will be responsible for the costs of procuring and deploying the authentication tools. NCSL urges Congress to provide federal resources to states to underwrite the cost.

**Attendance-Based Payment and Activities to Improve Quality**

NCSL is also concerned about the impact on state flexibility resulting from requirements in Section 2(a)(1)(B) and Section 3 that states use attendance-based payments and use 3% of their quality set-aside funds on Quality Rating and Improvement Systems and inspection, monitoring and licensing of providers.

The CCDF proposed rule released by the Department of Health and Human Services in January 2026 would increase state flexibility over current regulations by giving states the option to determine provider payments based on either attendance or enrollment. Changing the CCDBG statute to only allow payment based on attendance would reduce the ability of states to decide which payment practices best support the needs of providers and families in their states.

The current statute allows states to spend their set-asides on a variety of activities to improve quality. Though states across the country are all working to improve child care quality, each state's context is unique. Requiring states to use a portion of their quality set-asides on specific activities would reduce state flexibility in determining which activities are most needed to improve quality in their states.

NCSL recognizes the committee's interest in ensuring federal funding supports low-income families' access to child care and appreciates the opportunity to provide input on the discussion draft. We would be happy to meet with the committee to further discuss these issues.

Sincerely,



Tim Storey  
Chief Executive Officer  
National Conference of State Legislatures

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