



Society for Research in Child Development
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Office of Child Care (OCC)
Administration for Children and Families (ACF)
U.S. Department of Health and Human Services
RIN: 0970-AD20

February 4th, 2026

RE: Restoring Flexibility in the Child Care and Development Fund (CCDF)

The Society for Research in Child Development (SRCD; www.SRCD.org) is pleased to respond and submit comments on behalf of our membership on the impacts of the proposed changes, listed under this notice, on children and families. We thank the U.S. Department of Health and Human Services (HHS) for the opportunity to submit comments on the proposal to amend CCDF regulations with the noted goal of reducing costs and burden for states and territories administering the CCDF program.

SRCD is a nonpartisan, multidisciplinary professional membership association representing 3,900 developmental scientists from all 50 states, territories and the District of Columbia. Our members' work seeks to improve the lives of children and families by exploring how individual differences and complex systems influence human behavior. Their research informs policies and practices in homes, early childhood development and education settings, schools, pediatric practices, public policymaking, and more.

Overall Response to Rulemaking

The goal of our comments is to share the breadth of scientific evidence, including studies and analysis conducted by our SRCD membership, on the importance of having federal regulatory standards that advance access to stable, high-quality child care services to children and families. A robust body of evidence demonstrates that administrative design decisions, such as how and when providers are paid and how children are authorized for care, directly shape affordability, program quality, and provider stability. Rolling back these protections weakens CCDF's effectiveness and places children's development at risk.^{1,2}

¹ Slicker, G., Faucheux, A., & Bengochea, A. (2025). A Nationwide Multidimensional Examination of Early Care and Education Access: Links Between Access Profiles, Equitable Enrollment, and Public Funding Policies. *Early Education and Development*, 36(4), 946–966.
<https://doi.org/10.1080/10409289.2024.2434796>

² Hustedt, J. T., Slicker, G., & Kelly, C. L. (2025). Populations served by childcare centers accepting subsidies and linkages with state subsidy policies. *Early Education and Development*, 37(1), 1–23.
<https://doi.org/10.1080/10409289.2025.2537462>

We respectfully call on the OCC to carefully consider the evidence presented in this letter, to place child development at the forefront of decision-making and to protect federal regulatory standards that are essential to making high-quality child care affordable, serving the most vulnerable children, and stabilizing the child care sector so it can deliver high-quality services consistently and sustainably.

Our response is organized into two sections: 1) Affordable and High-Quality Child Care Services; and 2) Financial Stability of Providers.

1. Affordable and High-Quality Child Care Services

The proposed repeal of the federally mandated 7 percent cap on family co-payments and the elimination of requirements to use grants or contracts for direct services raises significant concerns about the affordability and accessibility of child care for low-income and working families. A consistent body of research demonstrates that affordability is a primary determinant of whether families can access early-childhood services, often forcing them to make tradeoffs between what is affordable, available, and the quality of care.³ Moreover, when families are unable to secure child care subsidies, they experience immediate and substantial disruptions, including job loss, reduced work, school participation, and increased economic hardship.⁴ These disruptions are not simple inconveniences; they impact children's access to consistent and supportive care environments.⁵ Given the strong evidence linking participation in child care to children's school readiness and long-term educational attainment, affordable child care services function as a foundational condition for the nation's future workforce and community stability.⁶

The current childcare market presents significant affordability challenges for many families. National estimates indicate that low-income working families often face market prices equivalent to 28 percent of their household income, when subsidies are unavailable

³ Savage, S. A., & Robeson, W. W. (2025). *Childcare tradeoffs among Massachusetts mothers*. Early Childhood Research Quarterly, 71, 104–113. <https://doi.org/10.1016/j.ecresq.2024.12.005>

⁴ D. Bassok, I. Fares, M. Michie, K. Miller-Bains & K. Weisner. *What happens when families cannot access child care subsidies?* (Brookings Institution, Jan. 20, 2026), <https://www.brookings.edu/articles/what-happens-when-families-cannot-access-child-care-subsidies/>

⁵ Heinz, H., Alonso-Marsden, S., & Baker Martínez, E. (2024). *Extra help for extra needs: Family perspectives on New Mexico's supplemental childcare subsidy program for families at risk for involvement with child protective services*. Early Childhood Research Quarterly, 63, Article 101331. <https://doi.org/10.1016/j.ecresq.2024.101331>.

⁶ Hustedt, J. T., & Barnett, W. S. (2022). Early childhood education and care as an investment in children's development and societal well-being. *Education Sciences*, 12(12), 908. <https://doi.org/10.3390/educsci12120908>

or insufficient.⁷ This reflects a system that fails to properly align the true cost of quality care with what families can pay. In the absence of a policy response that addresses the gap between the cost of care and what families can pay, the burden of this market failure falls on families, limiting access to quality care and undermining parents' ability to participate consistently in the workforce.

When families are able to secure child care subsidies, they are more likely to enroll their children in higher-quality care environments.⁸ These subsidies, whether provided through state public funding or federal support programs such as CCDF subsidies, are associated with a greater likelihood that child care centers offer targeted services for infants and toddlers, children with disabilities, children experiencing homelessness, and families with non-standard working hours or limited access to formal employment.⁹ Importantly, when affordability protections are weakened, or removed, childcare providers limit enrollment of children with higher needs, therefore narrowing access for the most vulnerable children in a community—exactly the children CCDF is designed to serve.¹⁰

It is also important to ensure that children with disabilities, those experiencing hardship, homelessness, or in need of specialized care are not priced out of the child care system. As OCC considers rolling back the use of federal grants or contracts to serve the specific needs of vulnerable populations, research indicates that without some form of targeted public funding to offset these costs, the range of reasonable available care options for families will continue to narrow.¹¹

Furthermore, the importance of subsidizing childcare services for affordable and high-quality care is also a long-term public investment in children's development, workforce readiness, and community well-being.¹² A substantial body of developmental and

⁷ Baldiga, M., Joshi, P., Hardy, E., & Acevedo-Garcia, D. (2018). *Data-for-Equity Policy Brief: Child Care Affordability for Working Parents* (Policy brief). Institute for Child, Youth and Family Policy, Heller School for Social Policy and Management, Brandeis University. Retrieved from <https://nichq.org/wp-content/uploads/2024/09/ChildCare-Affordability-brief.pdf>

⁸ Krafft, C., Davis, E. E., & Tout, K. (2017). *Childcare subsidies and the stability and quality of childcare arrangements*. *Early Childhood Research Quarterly*, 40, 32–45. <https://doi.org/10.1016/j.ecresq.2017.01.003>

⁹ Hustedt, J. T., Slicker, G., & Kelly, C. L. (2026). *Populations served by childcare centers accepting subsidies and linkages with state subsidy policies*. *Early Education and Development*, 37(1), 107–129. <https://doi.org/10.1080/10409289.2025.2537462>

¹⁰ *Ibid.*

¹¹ Sullivan, A. L., Farnsworth, E. M., & Susman-Stillman, A. (2018). Patterns and predictors of childcare subsidies for children with and without special needs. *Children and youth services review*, 88, 218–228. <https://doi.org/10.1016/j.childyouth.2018.03.002>

¹² Heinz, H., Nava, M., Asencio Pimentel, M. F., Córdova, Y., Baker Martínez, E., & Jiménez, E. Y. (2025). *Family perspectives from users and non-users of subsidized childcare: Benefits and barriers to subsidy*

economic research demonstrates the association of high-quality care with improved early learning, school readiness, higher academic achievement, increased educational attainments, improved health outcomes, and employment.^{13,14,15} Contrary to the published rule, affordability is a primary gateway to accessing child care and high co-payments represent a significant barrier for many families.¹⁶ A subsidy structure that supports families therefore strengthens not only individual households, but also communities. In addition, research indicates that child care access varies substantially based on state-specific subsidies and reimbursement.^{17,18} In the absence of clear federal affordability standards, families' access to care becomes dependent on where they live, rather than on their needs.^{19,20} In this sense, affordability and specific public funding for direct services cannot be left to states' discretion alone, and federal requirements are needed, at minimum, to define and protect affordability and services to children that need specialized care, such as infants and toddlers, children with disabilities, and children experiencing homelessness. Without this, CCDF risks functioning even more unevenly across states, undermining its role as a national safety net for children and families.

participation. *Children and Youth Services Review*, 169, Article 108090.

<https://doi.org/10.1016/j.childyouth.2024.108090>

¹³ Institute of Education Sciences. (2025). *Short- and long-term impacts of high-quality early childhood education programs*. U.S. Department of Education. <https://ies.ed.gov/learn/blog/short-and-long-term-impacts-high-quality-early-childhood-education-programs>

¹⁴ Cannon, J. S., Kilburn, M. R., Karoly, L. A., Mattox, T., & Muchow, A. N. (2018). *Investing early: Taking stock of outcomes and economic returns from early childhood programs*. *Economics of Education Review*, 64, 1–14. <https://doi.org/10.1016/j.econedurev.2018.03.001>

¹⁵ McCoy, D. C., et al. (2017). *Impacts of early childhood education on medium-term outcomes*. *Pediatrics*. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6107077/>

¹⁶ Department of Health and Human Services, Administration for Children and Families. (2026, January 5). *Restoring flexibility in the Child Care and Development Fund (CCDF)* (Proposed rule No. 2025-24272). *Federal Register*, 91(2), 207–215.

¹⁷ Hustedt, J. T., Slicker, G., & Kelly, C. L. (2026). *Populations served by childcare centers accepting subsidies and linkages with state subsidy policies*. *Early Education and Development*, 37(1), 107–129. <https://doi.org/10.1080/10409289.2025.2537462>

¹⁸ Hill, Z., Gennetian, L. A., & Mendez, J. (2019). *A descriptive profile of state Childcare and Development Fund policies in states with high populations of low-income Hispanic children*. *Early Childhood Research Quarterly*, 47, 111–123. <https://doi.org/10.1016/j.ecresq.2018.10.003>

¹⁹ Goldring, T., & Ribar, D. C. (2024). *Equitable use of subsidized childcare in Georgia*. *Early Childhood Research Quarterly*, 70, 65–78. <https://doi.org/10.1016/j.ecresq.2024.09.001>

²⁰ Slicker, G., & Hustedt, J. T. (2022). *Predicting participation in the childcare subsidy system from provider features, community characteristics, and use of funding streams*. *Children and Youth Services Review*, 136, 106392. <https://doi.org/10.1016/j.childyouth.2022.106392>

2. Financial Stability of Providers

This rulemaking proposal also mentions the importance of restoring flexibility and containing child care costs. It intends to reach these goals by eliminating requirements for prospective and enrollment-based provider payments.

Research indicates that payment timing and reimbursement structure are central determinants of whether providers can remain financially able to provide services and serve subsidy-eligible families.²¹ Payments to child care centers only after services are delivered creates revenue instability, contributes to high staff turnover, and undermines program quality, ultimately disrupting continuity of care and productive learning environments for children.^{22,23} Child care providers that serve CCDF-eligible families are particularly vulnerable to delayed payments because they rely more heavily on public funding streams to cover operational costs.²⁴ Research shows that when reimbursement structures are misaligned with the true cost of care, child care providers are more likely to reduce participation in subsidy systems or exit them altogether.²⁵

Similarly, paying child care providers based on attendance rather than enrollment shifts financial risk onto providers for factors beyond their control, including child illness, transportation barriers, family work instability, and public health disruptions.²⁶ Even short-term absences can result in revenue losses that programs are unable to absorb without compromising staffing levels, reducing services, or limiting enrollment of children who

²¹ Slicker, G., & Hustedt, J. T. (2022). *Predicting participation in the child care subsidy system from provider features, community characteristics, and use of funding streams*. Children and Youth Services Review, 136, 106392. <https://doi.org/10.1016/j.childyouth.2022.106392>

²² Study of Early Education through Partnerships. (2026). *Compensation, turnover, and quality in Virginia childcare centers* (Policy brief). <https://www.see-partnerships.com/virginia.html>

²³ Goldring, T., & Ribar, D. C. (2025). *Equitable use of subsidized childcare in Georgia*. Early Childhood Research Quarterly, 70, 65–78. <https://doi.org/10.1016/j.ecresq.2024.09.001>

²⁴ U.S. Government Accountability Office. (2023, March 29). *Childcare: Subsidy eligibility and use in fiscal year 2019 and state program changes during the pandemic* (GAO-23-106073). <https://www.gao.gov/products/gao-23-106073>

²⁵ Hardy, A., Schmit, S., & Wilensky, R. (2024). *Childcare assistance landscape: Inequities in federal and state eligibility and access* (Report). Center for Law and Social Policy. https://www.clasp.org/wp-content/uploads/2024/06/2024.6.27_Child-Care-Assistance-Landscape.pdf

²⁶ Slicker, G., & Hustedt, J. T. (2026). *Subsidy density in early education centers: Comparing center and community associations across two nationwide samples*. Early Childhood Research Quarterly, 74, 35-45. <https://doi.org/10.1016/j.ecresq.2025.08.005>

need specialized care.^{27,28} Research also shows that administrative complexities further compound these challenges, particularly when burdensome billing structures or attendance verification requirements discourage provider participation in CCDF programs and restrict access for children with greater needs.²⁹

It is crucial to provide predictable revenue sources to preserve affordability and high-quality services, strengthen providers' operational and administrative capacity, and retain the child care workforce. As described in this letter, enrollment-based payment structures and prospective payments have been shown to stabilize child care providers by reducing revenue volatility and supporting consistent operations. Furthermore, these payment approaches also expand reliable access to care for families access to care for families who rely on CCDF subsidies.

Conclusion

The CCDF program is a foundational national investment in children's health, educational outcomes and employment outcomes, family stability, and community development. The breadth of scientific evidence clearly demonstrates that when affordability protections for families and financial stability for providers are built into administrative design and regulatory frameworks, children's access to high-quality care is expanded, and this is particularly true for those from low-income backgrounds and children in need of specialized care.

As OCC considers ways to reduce administrative burden and increase flexibility, it must recognize that for CCDF to function as an effective national safety net for low-income children and families, a regulatory and policy framework is needed that advances affordability and child care provider stability. When affordability declines, access is reduced. When provider instability is undermined, quality of service erodes, children and families experience disruptions in services, and the child care workforce becomes increasingly unstable. Taken together, these proposed changes risk weakening the conditions necessary to support healthy child development.

²⁷ Lieberman, A., Loewenberg, A., & Sklar, C. (2021, June 1). *Make childcare more stable: Pay by enrollment* (Policy brief). New America. <https://www.newamerica.org/education-policy/briefs/make-child-care-more-stable-pay-by-enrollment/>

²⁸ Pattnaik, J., & Lopez, M. (2023). *Financial challenges of family childcare providers during the COVID-19 pandemic: A phenomenological study*. *Early Childhood Education Journal*. Advance online publication. <https://doi.org/10.1007/s10643-023-01477-9>

²⁹ Astudillo-Rodas, M., Venancio-Rodriguez, J., & Hetling, A. (2024). *Assessing unintended administrative burdens of technology: The case of swipe card attendance for childcare subsidies*. *Journal of Policy Studies*, 39(4), 123–142. <https://doi.org/10.52372/jps.e674>

We urge the OCC to reconsider these proposed rollbacks and ensure a CCDF regulatory and policy structure that addresses affordability, promotes access to care, and strengthens provider stability.

Thank you for considering our response to this notice. Please reach out to us with any requests for information on the research and views presented.

With appreciation for your continued efforts to strengthen the U.S. child care system and advance child development.

Sincerely,



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