Congress of the United States Washington, AC 20515

November 30, 2021

Secretary Xavier Becerra
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Becerra:

It has come to our attention that the Biden Administration has failed to approve state Child Care Development Fund (CCDF) plans for Fiscal Years 2022-2024 resulting in a lapse in legally authorized program operations effective October 1, 2021. Several states are concerned about their ability to operate child care programs and distribute emergency funding without official approval from the Department of Health and Human Services (Department or HHS).

States have more child care money than they know what do with, but because of your inaction and delay many child care providers still haven't seen a dime of what Congress passed in March.

States were required to submit their CCDF plans by July 1, 2021, and anticipated approval before October 1, 2021. As the HHS Office of Child Care (OCC) noted in its program instruction to states, "OCC will send an approval letter to Lead Agencies in October that will address approved activities." It is our understanding that no states have received approval of their plan as of the date of this letter.

Due to your inaction, HHS has failed in its duty to approve state plans that would make an immediate impact on the availability of child care.

Now, while the Department shirks its responsibility to ensure existing funds are used in accordance with the law in a timely manner, Democrats are promoting massive new child care funding.

The President's \$4 trillion tax and spend bill, the so-called Build Back Better plan, would spend another \$382 billion to create duplicative, bureaucratic child care and universal pre-k proposals laced with new burdensome federal requirements. These programs will drive child care costs even higher for middle class families. Worse, Democrats' legislation shuts faith-based providers out of the market, overturning 30 years of bipartisan support for religious providers.

¹ U.S. Department of Health and Human Services, Program Instruction, FFY 2022-2024 CCDF Plan Preprint for States and Territories, (CCDF-ACF-PI-2021-02).

Approving state plans is a fundamental and basic fiduciary responsibility of HHS. CCDF plans are the primary mechanism to authorize spending of child care dollars. This basic responsibility to approve plans became even more critical with the unprecedented infusion of emergency child care funds provided in response to the pandemic.

In 2020, Republicans initially worked with Democrats on a bipartisan basis to provide additional funds for child care to support emergency responders and providers during the pandemic.

Despite concerns from Republicans that this relief money had not made its way down to local child care providers and communities, Democrats insisted on blindly including an additional \$40 billion in child care funding in March 2021. In total, Congress provided more than \$54 billion in emergency child care funding – more than the annual revenue of the entire child care industry in 2019.

State CCDF Plans are required to be updated every three years and are essential because they "[describe] how the program will be administered in accordance with CCDF law and regulations to provide high-quality child care services to eligible families." This now includes \$54 billion in additional child care spending routed through the existing state plans.

According to HHS, only 2 percent of the Child Care Stabilization funds provided in March have been dispersed by states. Delaying approval of state plans only exacerbates this problem and raises serious questions about the Department's ability to ensure integrity in how those funds are being used by states.

We request an explanation for this delay and timeline for approval of CCDF state plans for FY 2022-2024. We also request a description of how the Administration is monitoring state compliance with Child Care Stabilization and other COVID-relief funds while states operate under expired plans.

Please provide a response within two weeks of receipt of this letter. If there are any questions, please contact Andrew Gradison (Andrew.Gradison@mail.house.gov) on the Ways and Means Committee Republican Worker and Family Support staff or Mandy Schaumburg (Mandy.Schaumburg@mail.house.gov) on the Education and Labor Committee Republican staff.

Sincerely,

Kevin Brady Republican Leader Committee on Ways and Means Virginia Foxx Republican Leader Education and Labor Committee

Virginia Foxx

² CCDF-ACF-PI-2021-02.