

**Written Testimony of Liz Denson, President & CEO, Early Connections Learning Centers,
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**Before the U.S. Senate Committee on Health, Education, Labor, and Pensions (HELP)
Hearing: “Restoring Integrity: Preventing Fraud in Child Care Assistance Programs.”**

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Introduction

Chairman Cassidy, Ranking Member Sanders, and Members of the Committee:

Thank you for the opportunity to testify before the Committee. My name is Liz Denson, and I serve as President & CEO of Early Connections Learning Centers, a nationally accredited child care provider serving families in Colorado Springs, Colorado.

I am also a working mom of a four year old, and I am here today as both a parent and as someone whose life was shaped by child care. I was raised by a hardworking family. Without access to affordable, reliable care, my mother would not have been able to work, and I would not have had the opportunities that brought me to this moment.

That is why public investments in child care matter so deeply to me. Federal support through programs like the Child Care and Development Fund is not abstract policy. It is what helps parents stay in the workforce, keeps families stable, and gives children the strong start they deserve.

Now, raising my own child, I understand this even more clearly. Child care is not a luxury. It is essential infrastructure for working families and for the future of our communities and economy.

The organization I am proud to represent, Early Connections Learning Centers, is celebrating 129 years of service to families in Colorado this year. We are accredited by the National Association for the Education of Young Children (NAEYC), operate Early Head Start and Head Start programs, participate in Colorado Universal Preschool, and serve as a long-time provider of child care assistance funded through the Child Care and Development Fund (CCDF). Today, we operate four locations and lead a network of individually licensed family child care homes to expand access to high-quality care for families in our community.

I appreciate the Committee’s attention to CCDF and to the broader role child care plays in supporting working families, employers, and the national economy.

As a witness, my testimony is grounded in Early Connections’ direct experience as a child care provider in Colorado and in the real-world impacts CCDF funding has on children, families, providers, and our state’s workforce. My focus is on what we see on the ground, the safeguards

and integrity measures already in place within the program, and the consequences that occur when child care assistance funding is disrupted.

Child care is not a peripheral social service. It is essential economic infrastructure. When child care is stable and accessible, children can thrive, parents can work, businesses can retain employees, and communities can grow. When child care is disrupted—especially through sudden or prolonged freezes in CCDF funding—the consequences ripple immediately through families, providers, employers, and local economies.

This testimony focuses on three core points:

1. Why CCDF funding is foundational to families, providers, and economic stability.
2. What providers and families are experiencing on the ground today, particularly in states facing funding disruptions.
3. Why a proactive, solutions-oriented approach—centered on affordability, access, and quality—is essential to strengthening the child care system.

I appreciate the Committee's focus on CCDF program integrity and accountability, and I share the goal of ensuring public funds are used as intended to support children, families, and the workforce. This program plays a vital role in supporting parents' ability to remain in the workforce, strengthening local economies, and sustaining the child care providers families depend on.

Child Care as Critical Economic Infrastructure

Child care enables parents to participate in the workforce and allows employers to maintain a stable labor supply. Without reliable child care, parents are forced to reduce work hours, accept lower-paying jobs, or leave the workforce altogether.

In Colorado, these challenges are particularly acute. According to national analysis, 51% of Colorado's population lives in a child care desert, meaning there are far more children than available licensed child care slots. Despite this widespread shortage, only 7.2% of eligible Colorado families currently receive child care assistance.

The economic impact of insufficient child care is substantial. Colorado loses an estimated \$3.1 billion annually in unrealized income due to parents foregoing employment, turning down advancement opportunities, or being unable to pursue education and training because child care is unavailable or unaffordable.

CCDF funding plays a critical role in mitigating these losses by helping families access care and supporting providers who supply child care in communities where options are already limited.

To illustrate the impact of CCDF funding in real life, I want to share the story of one working family we serve.

Several years ago, a couple in our community made the decision to open their home to children in need of emergency foster care. One day, they received a call about two siblings, including an infant, who needed immediate care. They said yes without hesitation.

But saying yes also meant figuring out, overnight, how to keep working, how to provide stability, and how to meet the needs of two very young children during a moment of crisis and enormous transition. Like so many families, they needed child care right away, and they needed care they could afford.

Early Connections was able to support their ability to continue working while following their hearts to support children in crisis through affordable, reliable early education, made possible through CCDF funding.

The mother later shared that their child's teacher became more than an educator to their family. She was a steady presence during an uncertain season, helping their child feel safe, supported, and ready to learn.

Ultimately, access to child care supports through CCDF gave this young couple the opportunity to open their homes and their lives to these two young children. Eventually adopting them both and building a family with the support of their community and the funding mechanisms in place, created to support what is best for children.

This is why child care funding matters. It allows families to step up and say yes to children. It provides stability at the earliest and most critical stages of development. And it is one of the most impactful upstream investments we can make, supporting children and families before challenges become crises, and building stronger outcomes for our communities in the long run.

Who Providers Serve and Why CCDF Matters

At Early Connections Learning Centers, we serve families who are working, enrolled in school, or participating in job training to support their households and build long term stability. On a typical day, we serve approximately 300 children, and about 60% rely on child care assistance through Colorado's Child Care Assistance Program (CCCAP) to access affordable, high quality early education. Many parents who benefit from CCCAP work in essential roles, including health care, education, service industries, and public safety.

The families we serve are doing everything they can to stay afloat, but many are still living on the financial edge. Nearly one third of the children in our care, representing close to 100 families, fall within federal poverty guidelines and qualify for Head Start or Early Head Start. For a family of four, this means earning less than roughly \$600 per week.

More broadly, 74% of the families we serve qualify for free or reduced price lunch. This underscores that child care assistance is reaching children in households with the fewest alternatives and the greatest need for stable care and early learning.

Statewide, the Colorado Child Care Assistance Program (CCCAP), supported by CCDF funding, serves 27,598 children across 18,352 families. Of these children:

- 33% are under the age of three
- 38% are ages three to five
- 71% are under the age of five

These figures reflect that child care assistance primarily supports very young children during a critical period of development, while enabling their parents to remain in the workforce.

Child care is not only a workforce support—it is where our youngest children begin learning, building relationships, and developing the foundational skills that shape lifelong outcomes. For infants and toddlers especially, stable care is critical to healthy development, early language growth, and emotional security. 90% of a child’s brain develops by the time they are five years old, yet we invest so little in this critical point of development for children in comparison with other services deemed a “public good.”

Even before recent funding disruptions, access to child care assistance in Colorado was severely constrained. More than 13,500 children are currently on CCCAP waitlists or otherwise unable to receive care.

For families who do receive assistance, the loss or interruption of CCDF funding would have immediate consequences:

- Parents would face impossible choices between paying for child care and covering basic necessities.
- Many would be forced to reduce work hours, turn down job opportunities, or leave the workforce entirely.
- Employers would experience increased absenteeism, turnover, and lost productivity.

From a provider perspective, CCDF funding disruptions are destabilizing. Child care operates on extremely thin margins, and sudden funding freezes do not allow time to responsibly adjust staffing, enrollment, or budgets.

At Early Connections, the immediate loss of funding supporting 60% of the children we serve would be catastrophic. While a short delay might be survivable, a prolonged or permanent loss of funding would force classroom closures, layoffs of teaching and support staff, and the elimination of hundreds of child care slots in our community.

Across Colorado, 2,462 licensed providers currently accept CCCAP. These providers typically serve a mix of subsidized and privately paying families. If CCCAP funding were eliminated, many providers would be unable to remain open, affecting not only families receiving assistance but also those paying privately, as private tuition alone is rarely sufficient to sustain operations.

Just as importantly as maintaining the critical supports the child care industry provides, we cannot ignore that CCDF helps ensure children can remain in stable early learning environments during the most formative years of development.

Elevating Provider Realities on the Ground

Child care providers are small businesses and community institutions. They operate under complex regulations while facing staffing shortages, rising costs, and increasing expectations for quality—all while striving to keep care affordable.

Providers are currently confronting:

- Workforce shortages driven by low compensation and high burnout.
- Rising costs for food, supplies, insurance, and facilities.
- Administrative complexity layered on top of already thin operating margins.

We are already hearing anecdotal reports of providers shuttering their small businesses because they cannot remain open without funding tied to children receiving assistance. Each closure reduces family choice, deepens child care deserts, and disproportionately harms rural and underserved communities where alternatives are scarce.

This is not hypothetical. Since April 2021, more than 900 child care providers have closed across Colorado, further shrinking access for families.

Program Integrity and the Importance of Proportional Responses

Accountability is critical, and child care providers like Early Connections take stewardship of public funds seriously. The goal should be to strengthen the entire system and increase funding to these critical services while preserving the stability families need and the continuity of care young children depend on. As a CCCAP provider in Colorado, Early Connections operates under multiple layers of oversight and safeguards, including regular audits, real-time electronic attendance tracking, county-level eligibility determinations, and daily parent verification with a fingerprint scanner at drop-off and pick-up. These systems are designed to ensure that services are provided only to eligible children and that funds are used appropriately and transparently.

Based on my experience, providers in Colorado are committed to complying with these requirements while continuing to serve families who depend on child care in order to work. We

have over 129 years of service to Colorado families, and through our collaboration with providers across the state, we have experienced firsthand the seriousness with which child care programs in Colorado approach compliance and accountability. As mentioned previously, many of the providers in Colorado depend on having access to the funding provided to families through CCDF. The threat of losing the ability to provide CCCAP due to negligence threatens a provider's ability to operate. Discussions of program integrity are most productive when they are grounded in facts and lived experience rather than broad or speculative characterizations.

Responses to concerns about misuse of funds should be targeted, evidence-based, and proportional. Broad funding freezes that affect thousands of compliant providers and families do not distinguish between isolated bad actors and the overwhelming majority of providers operating responsibly and in good faith.

System-wide funding disruptions place the burden of enforcement on children, families, and providers who have done nothing wrong, while creating instability that makes long-term improvements to integrity and system strength more difficult.

The Real Challenge: Affordability, Access, and Quality

While discussions of fraud may dominate headlines, the central challenges facing child care remain affordability, access, and quality.

- **Affordability:** Child care costs often rival housing costs, even with assistance.
- **Access:** Many communities lack sufficient licensed child care slots, particularly for infants and toddlers.
- **Quality:** Providers want to invest in skilled educators, safe facilities, and enriching environments, but need predictable funding to do so.

In Colorado, the average cost of child care is approximately \$20,000 per year—more than in-state college tuition. Families are often incurring these costs at a point in their lives when they are early in their careers and earning the least they will over their working years. Unlike higher education, there are no long-term savings vehicles to help families prepare for child care expenses.

These high costs reflect, in part, a workforce that is still paid well below living wages. Even at current prices, providers struggle to adequately compensate teachers. Without public investment, the full cost of high-quality care cannot be borne by families alone.

A proactive vision for child care must focus on strengthening the system through sustained investment, predictable funding, and effective oversight, rather than destabilizing it through abrupt interruptions.

Child care is foundational to a functioning workforce and a growing economy. Parents cannot work, employers cannot retain staff, and communities cannot thrive without reliable care for young children.

The United States of America has long recognized the importance of investing in children's success once they enter school. But the reality is that development and learning begin well before kindergarten. Stable early care supports school readiness, strengthens long term outcomes, and helps reduce the need for more costly interventions later.

That is why increased federal investment in child care through CCDF is a practical, highly effective, upstream approach. It supports working families, strengthens local businesses, and ensures providers can deliver consistent, high quality care. Child care should not be a burden carried by parents and providers alone. It is a necessary part of our economic infrastructure and a public good.

State Impact and Broader Implications

In Colorado, where a majority of residents already live in child care deserts, funding interruptions compound existing shortages and inequities.

Losing child care assistance funding would affect tens of thousands of families, particularly those in communities with few or no alternative care options. For many, the loss of care is not temporary—it can permanently alter employment trajectories, income stability, and long-term economic security.

Provider instability also has broader implications for the state's economy. As providers close or reduce capacity, employers experience workforce disruptions, and regional economies absorb the cost of lost productivity and unrealized income.

These impacts do not stop at state borders. Child care disruptions affect interstate labor markets, national workforce participation, and overall economic growth.

Conclusion

Child care is essential infrastructure for a functioning economy. CCDF funding supports families' ability to work, providers' ability to operate, and employers' ability to retain a stable workforce.

Just as importantly, it supports young children during the most formative years of development, when stable care and early learning lay the foundation for long-term success. When we fail to invest early, the costs do not disappear, they simply show up later and larger through greater strain on schools, social services, and the workforce.

As the Committee considers issues of integrity and accountability, I urge a balanced approach, one that protects public funds while avoiding actions that inadvertently harm children, families, and the providers who serve them.

The path forward is not through destabilization, but through increased investment, effective oversight, and a shared commitment to building a child care system that is affordable, accessible, and high quality for all families.

Thank you for the opportunity to submit this testimony. I am grateful for the Committee's attention to these issues and am happy to provide additional information for the record.