S.XXX, The Strengthening Transparency and Oversight to Prevent (STOP) Child Care Fraud Act

The Child Care and Development Block Grant (CCDBG) program provides critical support through the Child Care Development Fund (CCDF) to help low-income working families afford child care and improve quality of care nationwide. Despite the program's importance, CCDF currently serves about 1.4 million families out of the 8 million eligible households. Ensuring that available funds are administered responsibly is essential to expanding access to child care for the families who rely on it.

While Minnesota has brought national attention to the issue, program integrity challenges extend far beyond any single state and represents a national problem. Americans expect strong stewardship of taxpayer dollars and consistent safeguards to ensure funds intended for children and families are used appropriately.

The Strengthening Transparency and Oversight to Prevent (STOP) Child Care Fraud Act amends CCDBG to strengthen federal oversight and program integrity, improve verification methods, and increase state accountability.

The bill specifically:

1. Strengthens federal oversight authority by requiring the Secretary of Health and Human Services (HHS) to enforce program requirements and provides for increased penalties and potential withholding of funds.
2. Increases audit reporting requirements to better root out fraud.
3. Enhances monitoring for states identified as high-risk for fraud.
4. Improves payment integrity by requiring stat payments to child care providers be based on verified attendance, not enrollment.
5. Tightens eligibility and payment verification by eliminating reliance on parent self-attestation without verification, eliminates retroactive eligibility, and requires states to use electronic authentication tools to verify participant identity.
6. Requires states to verify identity through electronic authentication. To support a range of options to implement this requirement, HHS will issue regulations on verifying attendance through electronic verification.
7. Ensures resources go to families in need by lowering the asset limits for eligibility? from $1 million to $500,000.