

Opening Statement of Ranking Member Robert C. "Bobby" Scott (VA-03)

Full Committee Markup

H.R. 7720, *Child Care Payment Integrity and Fraud Accountability Act*

H.R. 7721, *Combating Regulatory Abuse, Closing Known Deficiencies, and Overseeing Waste Nationwide (CRACKDOWN) Act of 2026*

H.R. 7722, *Child Care Integrity Monitoring Act*

H.R. 7723, *Safeguarding Taxpayer Dollars in Child Care Act*

H.R. 7724, *No Waivers for Fraud Act*

H.R. 7725, *Stop Child Care Fraud Act*

H.R. 7677, *Closing the Provider Fraud Gap Act*

H.R. 7726, *No Funds for Repeat Child Care Violations Act*

2175 Rayburn House Office Building

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Thank you, Mr. Chairman.

Mr. Chairman, child care is a necessity for millions of American families. And in many places, the cost of child care, when families can even find it, can be as much as, or more than, their rent or mortgage payment. And in many communities, child care simply does not exist in sufficient supply. As a direct result, our economy loses an estimated \$122 billion in earnings, productivity, and revenue every year. That is not a personal failure on the part of parents or providers— it is a policy failure.

Knowing this reality, and yet having to reconcile it with today's markup, is a tough pill to swallow. Today, we will consider eight bills that will do nothing to meaningfully bring down the cost of child care, increase the supply of child care, or improve the working conditions for child care providers. Instead, we will consider legislation that will needlessly create uncertainty for providers and make it more difficult for states to administer our nation's largest child care assistance program.

I appreciate the importance of preventing fraud in government programs. But there has been no evidence of widespread fraud in the child care program. But if we're going to do oversight, it should at the very least begin with bringing in, the head of the Department of Health and Human Services (HHS), Secretary Kennedy, who is responsible for implementing child care programs. He has yet to appear before this Committee despite my numerous requests from this side, to you Mr. Chairman, and to the Secretary directly.

H.R. 7720, *Child Care Payment Integrity and Fraud Accountability Act*

Now in terms of what we will consider, first, we will consider H.R. 7720, the *Child Care Payment Integrity and Fraud Accountability Act*. Under present law, HHS assesses states' compliance with regulations governing the Child Care and Development Block Grant (CCDBG) through a review and approval process every three years.

H.R. 7720 would require states to submit additional paperwork to the Secretary, including via unique accounting methods not used in any other reporting. While these additional reporting requirements may seem innocuous, this bill would force states to spend more of their allotted CCDBG funds on administrative costs, leaving less money for child care. For these reasons, I urge my colleagues to oppose that bill.

H.R. 7721, *Combating Regulatory Abuse, Closing Known Deficiencies, and Oversight Waste Nationwide (CRACKDOWN) Act of 2026*

The second bill we will consider is H.R. 7721, is called the *Combating Regulatory Abuse, Closing Known Deficiencies, and Overseeing Waste Nationwide* (or *CRACKDOWN Act of 2026*).

I say again: states are already required to report error rates. But this bill would require states to effectively triple their reporting; punish states for failing to meet deliberately set, high standards; and effectively give the Secretary carte blanche to require as many additional reports from states as the Secretary desires— further increasing administrative costs and opening states up to invasive and excessive oversight. For these reasons, I oppose that bill.

H.R. 7722, *Child Care Integrity Monitoring Act*

The third bill we will consider is H.R. 7722, the *Child Care Integrity Monitoring Act*. The bill will require states to undergo comprehensive reviews of CCDBG performance every three years and require states which are arbitrarily designated as “high risk” to submit to additional monitoring.

Unfortunately, this bill is redundant and vague. Additionally, the bill does not define how states are designated as “high risk” or the aforementioned additional monitoring by the Secretary what that might entail. And despite these new administrative responsibilities, this bill provides no additional funding for increased monitoring or oversight. The Office of Child Care (OCC) has lost more than half of its oversight team in the past year. This bill would force both state and federal staff to do more with less. So, I oppose this bill and urge my colleagues to do the same.

H.R. 7723, *Safeguarding Taxpayer Dollars in Child Care Act*

H.R. 7723, the fourth bill we will consider is, the *Safeguarding Taxpayer Dollars in Child Care Act*.

This bill would require the Secretary to permanently debar providers from the program after a final determination of fraud. But providers operate through out state systems, not direct federal contracts, raising questions about how this federal debarment would function. The bill also does not clarify whether a violation in one state would trigger a nationwide ban for a franchise program or whether a “provider” refers to an individual or an entire business. Rather than refining oversight, it imposes a rigid mandate.

The bill further debars providers in the Child and Adult Care Food Program after a determination of fraud, while additionally instituting “reciprocal” debarment between CCDBG and Child and Adult Care Food Program [CACFP].

Under present law, in addition to a review of CCBG funds every three years, CACFP providers who commit serious violations can be barred for years and required to repay debts. Strong enforcement mechanisms are already in place.

We all agree fraud must be addressed. But automatic, permanent debarment without any discretion risks unintended consequences, particularly when there is no limit to the seriousness of the offense. Especially as communities face child care shortages. It is also critical that we have processes in place to ensure providers are

not wrongfully debarred for inadvertent or unintentional administrative or human errors. We need to oppose that bill, too.

H.R. 7724, *No Waivers for Fraud Act*

H.R. 7724, *No Waivers for Fraud Act*, [is] the fifth bill we will consider.

Under current law, the CCDBG statute allows the Secretary limited authority to exercise discretion in imposing sanctions on states. That flexibility exists for a reason. It allows the Department to account for unique circumstances, correct technical errors, and ensure that enforcement actions do not inadvertently disrupt services for children and families.

This bill would eliminate that waiver authority altogether, substituting [statutory] rigidity for administrative judgment and removing a tool that both parties have relied on to implement the law responsibly.

Combined with the previous bill, it reflects a shift from balanced oversight to inflexible federal mandates. Eliminating all waiver authority risks punishing states in ways that ultimately hurt families. We should pursue smart accountability — strong enforcement paired with practical flexibility to keep the system working for children and working parents. So that bill needs to be opposed too.

H.R. 7725, *Stop Child Care Fraud Act*

H.R. 7725, *the Stop Child Care Fraud Act*.

Under present law, state CCDBG plans must already report the measures they take to prevent fraud, including how they monitor providers and protect federal funds. This bill essentially codifies those requirements by directing states to more explicitly detail their anti-fraud controls and explain how they use data across state and local agencies to oversee child care providers.

Unlike the previous bills, 7725 strengthens oversight without imposing, rigid penalties or stripping flexibility. Because it supports responsible accountability, I can support that bill and urge a yes vote.

H.R. 7677, *Closing the Provider Fraud Gap Act*

H.R. 7677, the *Closing the Provider Fraud Gap Act*, is the seventh bill we will consider. [It]would require the Government Accountability Office (GAO) to conduct a fraud-prevention study in federal early childhood education, child care, and child nutrition program services. Given that the intent of this bill appears to be to examine fraud prevention in programs such as Head Start, the Child and Adult Care Food Program, and the Child Care and Development Block Grant, that bill should also be supported

H.R.7726, *No Funds for Repeat Child Care Violations Act*

[H.R.] 7726, the *No Funds for Repeat Child Care Violations Act*, is the final bill we will consider.

Under present law, if a state is found to repeatedly misuse funds leading to improper payments to child care providers, the HHS Secretary has the discretion to withhold child care dollars from the state.

This bill would tie the hands of the [HHS] Secretary, forcing states to be disqualified from child care assistance for simple mistakes, such as paperwork errors.

As I previously stated, addressing fraud should be a bipartisan matter. But unfortunately, while my colleagues may suggest this bill would make a small technical change to the Secretary's duties, I cannot support thoughtlessly restricting access to a program that families depend on for reliable child care based on small inadvertent errors. For those reasons, I oppose this bill.

Mr. Chairman, I fear today may be yet another missed opportunity. Parents are begging us to address the problem of finding affordable child care in this country. But I can promise you, these bills are not what they mean, nor will any of these bills meaningfully help Americans struggling to make ends meet or find a child care option that works for them or their families.

Mr. Chairman, I yield back.