

Quick Facts: Trump's Recent Attacks on Child Care

Freezing Minnesota's CCDF Funds

On December 30, HHS announced via [tweet and video](#) that they were freezing all of Minnesota's Child Care and Development Fund (CCDF) program funds, a federal block grant program that helps lower income families afford child care. The administration said they based their decision to withhold funds on a social influencer's video and a dissatisfying call with the MN CCDF state administrator. They have made allegations of widespread fraud but have still not presented evidence. HHS technically put MN on a "restricted drawdown," requiring the state to provide new large amounts of data on participants in the CCDF program (that HHS had not previously required the state to collect or report) before they could access any allotted CCDF funds. ***On January 9, a judge [issued](#) a Temporary Restraining Order, temporarily blocking the funding freeze in MN and four other blue states targeted by the administration while the lawsuit proceeds.***

No credible evidence of fraud has yet emerged, and there has been no fraud found in the MN child care program in recent years. There are cases of prosecuted fraud cases in other social service programs in Minnesota. The administration has particularly [attacked](#) the Somali community, accusing the community of being the perpetrators of the fraud in Minnesota. The social media influencer whose video started the viral news coverage was [given a list of child care centers](#) to attack by the Republican speaker of the House, who intends to run for governor.

New "Defend the Spend" Process

As part of HHS's December 30 social media announcement, they stated they would instigate a new "Defend the Spend" process for all states, territories, and tribes that receive CCDF. This is already [creating delays](#) in states accessing funds and placing new burdens on states and barriers to child care funding.

States trying to drawdown their CCDF funds from HHS's payment management system (PMS) now receive [a notification](#) requiring a new attestation about their fraud and program integrity oversight and a justification with detail for the use of funds. Funds are only transferred to the state from PMS once the information has satisfied a subjective HHS review. There is no transparency as to what information is required by HHS, whether all states are being treated equitably, or whether the review time is equitable across states. This data collection likely violates the *Paperwork Reduction Act*, which requires new data reporting requirements on states to first go through the Federal Register and allow time for public comment.

Freezing Funding to Five Blue States

On January 6, HHS sent letters to CA, CO, IL, MN, and NY informing the states that all CCDF, [Temporary Assistance for Needy Families](#) (TANF), and [Social Services Block Grant](#) (SSBG) funds were

being frozen. This amounts to \$10 billion in federal assistance, including \$2.4 billion in CCDF that provides child care assistance for more than [300,000 children](#). It would also mean that child care programs wouldn't be paid for services they already provided, putting many programs at risk of closing, which could impact an additional [200,000 children](#) who don't receive assistance but rely on programs that do.

HHS's stated reason for freezing these funds is that they were "concerned by the potential for extensive and systemic fraud" in the state's CCDF program and that they had reason to believe the state was providing CCDF to "[illegal aliens](#)." ***HHS provided no evidence of these claims.*** HHS placed the five states on restricted draw down until they provided data requested by HHS and until HHS had sufficient time to complete a review. ***The data requested is extremely burdensome for states and includes large amounts of data that the states have not previously been required to collect or report to HHS.*** HHS is not following the CCDF regulations that specify the process to address actual program integrity issues.

On January 8, Attorneys General of the five states [filed suit against](#) the Trump administration, arguing that these freezes were illegal, in part, because the administration provided no basis or evidence to support their unsubstantiated allegations of potential fraud before freezing all funding and before conducting an investigation. They noted the transparent motivation was to [punish](#) "Democrat-led" states who are disfavored by the administration. As previously mentioned, on January 9, a judge [issued](#) a Temporary Restraining Order, temporarily blocking the funding freeze while the lawsuit proceeds.

2024 Biden Child Care Rule to Be Overturned

In August 2025, [the Administration for Children and Families told state CCDF administrators](#) they would be rescinding the [2024 CCDF regulations](#). Those 2024 regulations: (1) require states to use fairer payment practices with providers that facilitate more stable operations and increase parent choices in child care arrangements; (2) cap parent copayments at 7 percent of family income; and (3) require states use at least some grants and contracts to build supply of care with very low supply.

The Notice of Proposed Rulemaking (NPRM) [released](#) on January 5, 2026 cites state flexibility, cost, and burden as the reason for rescinding the rule. It does not focus on fraud because that was not the reason for rescinding the rule. Yet, HHS and Congressional Republicans have opportunistically [chosen](#) to tie the NPRM to the current fraud narrative, lying about what the Biden rule does and alleging current state payment practices are open to fraud. These new unfounded allegations are creating significant additional threats to the child care sector and the families that rely on it.

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