February 4, 2026

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Care
330 C Street, S.W.
Washington, D.C. 20201

Re: Notice of Proposed Rulemaking (NPRM), Restoring Flexibility in the Child Care and Development Fund (CCDF), Docket ID ACF-2026-0001-0002, RIN 0970-AD20.

Dear Sir/Madam:

Thank you for the opportunity to comment on the above-referenced NPRM. The Association of Christian Schools International (ACSI) is the largest Protestant school association and serves 2,300 member schools in the United States alone and another 3000 schools outside the U.S. for a total of over 5,000 member schools around the globe. Through extended services and resources beyond formal membership, ACSI has the privilege of serving and influencing over 25,000 Christian schools all over the world. ACSI exists to strengthen Christian schools and equip Christian educators worldwide as they prepare students academically and inspire them to become devoted followers of Jesus Christ. Our membership includes a substantial number of early education providers, many of whom choose to participate in the Child Care Development Fund (CCDF) program of the Child Care and Development Block Grant Act (CCDBG).

We raised serious concerns in our August 2023 public comment about language to require the use of grants and contracts in what became the 2024 Final Rule. We explained that faith-based providers are more willing to accept certificates and usually object to direct grants which make them recipients of federal financial assistance (FFA), a status that comes with extensive regulations. This reticence of faith-based providers to become recipients of FFA is evidenced by the fact that the Elementary and Secondary Education Act (ESEA) of 1965 requires equitable services precisely so that schools would not become recipients of FFA under its provisions. These provisions are over 65 years old and make clear that the concern about FFA is not new, that it is real, and that Congress has provided solutions to the concern for many decades. By the same token, under CCDGB's statutory provisions, the availability of certificates lessens this impact and encourages engagement by faith-based providers.

We argued in our earlier public comment that to suppress the participation of faith-based providers by requiring the use of direct grants rather than certificates is precisely the opposite of the supposed goal of *increasing* the number of providers as the NPRM at that time actually claimed! We also pointed out that a regulation to require the use of direct grants over certificates flies in the face

of the plain and explicit wording of the statute itself which forbids favoring the use of direct grants or disfavoring the use of certificates.

While state usage rates of certificates clearly show their effectiveness and popularity there, we also note that certificates give parents the greatest freedom and flexibility to meet their particular needs. As the least restrictive option for families, certificates preserve meaningful choice and provide access to a diverse range of child care providers. The program was created to help families and it's clear that certificates are the best method with the greatest flexibility for them.

Thus, we would like to express our strong support for the current above-referenced NPRM which eliminates the wrongful requirement of the use of direct grants. In addition to our concern about its violating the statute and potentially reducing available child care slots by suppressing the engagement of faith-based providers, the NPRM itself makes persuasive arguments that the requirement burdens the states and thus has been unwieldy and unpopular.

Specifically, ACSI endorses the proposed restoration of the language of **§ 98.16(x)** from the 2016 Final Rule, especially the explicit language that –

> *If the Lead Agency chooses to employ grants and contracts to meet the purposes of this section, the Lead Agency must provide CCDF families the option to choose a certificate for the purpose of acquiring care.*

This change logically also requires the deletion of **§ 98.16(y) and (z),** which the proposed rule also seeks to do. This is wise, as is the subsequent necessity to reorder § 98.16(aa) through (*ll*).

The deletion of the direct grant mandate in **§ 98.30(b)(1)** is the heart of the matter and is accompanied by the same deletion in **§ 98.50(a)(3).** In these cases, the requirement of use of direct grants likely meant a restricted market for the most vulnerable, including children in underserved geographic areas and the disabled.

We conclude our strong support for the removal of the direct grant mandates by noting that the overwhelming majority of states and territories use certificates almost exclusively in the 36 years since the 1993 passage of the original CCDBG. In our view, the effort to force a shift to the use of direct grants in the 2024 Final Rule was purely political and designed to suppress faith-based engagement. If anything, the push for direct grants shows how disfavored and ineffective they are in practical application: the 2024 Final Rule had to bully states and territories into using direct grants which they typically do not use when they are free to choose.

Further, the current NPRM argues rightly that only a handful of states/territories (six!) have yielded to the bullying since the 2024 Final Rule, and that, again, the overwhelming majority have asked for waivers. States and territories clearly experience the heavy burden of the requirement even as it risks restricting the availability of providers by suppressing participation by any number of faith-based providers.

Thus, the Department may wish to consider additional language to prefer the use of certificates since it would be (a) lawful, (b) reflective of actual state/territory preference, and (c) creates the greatest likelihood of faith-based additions to the number of providers.

Further, the recent massive child care fraud in Minnesota may suggest that centralized direct grants are easier to manipulate for unethical purposes than certificates which are spread among many families. The Department may wish to consider regulations on the states to ensure the proper state use of direct grants and/or to encourage states to protect themselves by greater use of certificates.

Finally, we will reiterate one suggestion from our 2023 public comment: namely, that the Department consider inserting the following bipartisan language of the statute originally from Sens. Tim Scott (R-SC) and Mary Landrieu (D-LA) (now at 42 USC 9858o(b)) at an appropriate point in the regulations. It is a reminder that the regulations must meet this bipartisan statutory requirement:

Parental rights and responsibilities

(b) Parental rights to use child care certificates

Nothing in this subchapter shall be construed in a manner—

(1) to favor or promote the use of grants and contracts for the receipt of child care services under this subchapter over the use of child care certificates; or
(2) to disfavor or discourage the use of such certificates for the purchase of child care services, including those services provided by private or nonprofit entities, such as faith-based providers.

Thank you for your consideration. On behalf of ACSI's 2300 member-schools and their myriad child care programs, we endorse the removal of the unlawful and harmful language that required the use of direct grants contrary to law and hostile to a valuable part of the community of providers. We thank you for your concern and expertise in ensuring a just outcome that will allow child care opportunities for families to flourish.

Respectfully submitted,

P. George Tryfiates
Vice President for Public Policy & Legal Affairs
Association of Christian Schools International