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Fwd: Update on Federal Child Care Funding

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To: Hannah McClellan <hmccllellan@ednc.org>

Thu, Jan 15, 2026 at 2:19 PM

----- Forwarded message -----

From: **NCDHHS Division of Child Development and Early Education** <childcarenews@ncdhhs-dcdee.ccsend.com>
Date: Wed, Jan 14, 2026 at 5:02 PM
Subject: Update on Federal Child Care Funding
To:



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Child Development
and Early Education

Delay in Federal CCDF Funding Pending Additional Justification

Dear Colleagues, Partners, and Stakeholders,

The federal Office of Child Care (OCC) with the Administration for Children and Families (ACF) issued a notice to North Carolina and all states and territories receiving CCDF funding indicating that the US Department of Health and Human Services has activated **Defend the Spend** for all CCDF grantees. Defend the Spend requires grantees to provide additional justification in the Payment Management System (PMS) when requesting a drawdown of funds, including attestation of implementing strategies "to identify fraud and ensure program integrity, including verification of child enrollment and attendance submissions" and "a strong justification for the use of funds that aligns with CCDF program purposes."

DCDEE has requested a drawdown of funds to reimburse subsidy providers for child care services provided during the month of December 2025. DCDEE is diligently working with our federal partners at ACF and OCC to obtain approval for the federal funds but has not yet received the federal funds. Note that this will cause payments to be delayed.

DCDEE is hopeful that approval will be received this week. We will continue to keep you updated about the status of our federal draw request and the timing of January payment as we learn more.

Thank you for your continued commitment and for all you do to support North Carolina's children and families.

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