REPORT

Childcare at a Crossroads: A State Legislative Framework for Strengthening Childcare Systems

NCSL's Childcare Policy Work Group Report

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Executive Summary

Childcare plays a critical role in supporting children's development, enabling parents to work and sustaining state and local economies. Yet the system responsible for delivering that care is under persistent strain.

Families face rising costs and limited options, reflecting broader challenges related to supply, affordability and the structure of available care. At the same time, many childcare providers operate on extremely thin margins, and the childcare workforce earns low wages relative to the high demands of the job. Funding does not consistently align with the true cost of delivering safe, high-quality care.

These challenges are not isolated or cyclical. They reflect structural conditions in a system where demand is high, but workforce conditions and financial investment have not kept pace. Taken together, these dynamics place the childcare system at a critical crossroads.

Across states and territories, the effects of these pressures are increasingly visible. Many families encounter long waitlists, which can be more pronounced in rural areas, tribal communities and for families with infants, toddlers or children with special needs.

Providers face rising operating costs while navigating complex regulatory and administrative requirements. Workforce shortages further limit capacity, as low compensation and limited benefits contribute to turnover and recruitment challenges. Employers and communities, in turn, experience workforce disruptions and economic impacts when childcare options are insufficient. These dynamics underscore the interconnected impacts of childcare policy on families, providers, workforce participation and state economies.

This report reflects the work of a bipartisan group of 13 state legislators recognized for their leadership and expertise in childcare policy who were convened by the National Conference of State Legislatures to examine these issues and offer guidance to their legislative colleagues. Members brought different political philosophies, professional backgrounds and regional perspectives. They shared a view that the childcare system is under strain and that incremental fixes alone are unlikely to address its underlying challenges. The group also recognized there is no single model to adopt and no one-size-fits-all solution.

Accordingly, the report offers a legislative framework to support state decision-making rather than a prescriptive roadmap. Policy options are organized around seven key recommendations for state action:

- Expand access and availability.
- Address affordability for families.
- Invest in the childcare workforce.
- Modernize licensing and quality rating systems.
- Strengthen small childcare businesses.
- Fund childcare for the future.
- Elevate governance and leadership.

Spotlighting strategies from all 50 states, the report illustrates that states are taking a wide range of approaches to addressing the childcare crisis. While every state is engaging with some aspect of childcare policy, no single state has addressed every challenge.

As costs rise, workforce shortages persist and demand remains strong, state policymakers face important decisions. The childcare system is at a crossroads, and decisions made now will shape how well systems meet the needs of families and economies in the years ahead.

A Call to Action from NCSL's Childcare Policy Work Group

Across the country, childcare has become one of the most urgent and complex challenges facing states. It affects children's development and well-being, parents' ability to work, employers' access to a stable workforce and the economic vitality of communities large and small. Rural and urban. Red and blue. No state is unaffected, and no ideology holds all the answers.

We are a bipartisan group of 13 state legislators who came together with different political philosophies, professional backgrounds, life experiences and beliefs. NCSL brought us together for multiple meetings in 2025 and 2026 to make recommendations for our fellow state legislators regarding the nation's childcare crisis. Many of us have worked in the childcare field, two of us are childcare owners, and all of us are actively engaged in childcare policymaking in our states. We spent time learning from each other, researchers, agency staff and others, and building consensus on the recommendations in this report. We walked into the first meeting as strangers; we left the last meeting as colleagues and friends.

While we do not agree on every policy lever or pathway forward, we are united in one conclusion: the current childcare system—to the extent a system exists—is structurally flawed and financially precarious. In most cases, it is failing families who need affordable, high-quality care. It is failing childcare providers who cannot sustain their businesses. And it is failing employers and communities that depend on a functioning system to support their workforce and economy. We think it should be replaced with one that is economically viable, family centered and business friendly.

This report is intended to help state legislators and legislative staff take on that work, grounded in the realities of state policymaking. It is from *state legislators, for state legislators*. We recognize every state operates within its own political, fiscal and social context. There is no one-size-fits-all solution, no federal template to adopt and no single right sequence of reforms. Progress will look different in every state, and that diversity of approaches is not a weakness but a strength.

We encourage states and territories to begin by seeking agreement on a shared vision for childcare. What role should childcare play in your state's economy? What outcomes matter most for children and families? How should responsibilities and costs be shared among families, providers, employers and government? Building clarity around a common vision creates a foundation for bipartisan action, even when resources are limited or political conditions are challenging.

From there, progress can and should be strategic. States and territories can move toward their vision step by step, aligning policy changes with available resources and opportunities as circumstances allow. Incremental change, when guided by a clear long-term goal, can produce profound and lasting results. This report is designed to support that kind of deliberate, practical progress.

Our report does not prescribe solutions. Instead, it provides context, policy recommendations and real-world examples that can be adapted to states' and territories' own needs. We offer this report as a tool to spark dialogue, inform debate and help legislatures chart a path forward on an issue that touches nearly every constituent in every district. These challenges are real—but they are not insurmountable. The childcare system is at a crossroads, and we as state policymakers have an opportunity to lead the path forward.

When developing our recommendations, it was apparent that we all share a deep commitment to the children, families, caregivers and communities we represent. We developed the following tenets to name what we shared, frame our discussions and guide our consensus-building.

Shared Tenets

Early Childhood Matters: Early childhood is a critical period for child development, laying the foundation for lifelong health, learning and well-being. Experiences during these early years profoundly shape a child's cognitive, emotional and social trajectory.

Families Matter: Parents and families have primary responsibility for shaping the health, development and life trajectory of their children. Most parents need or want support from friends, family, employers and childcare providers as they navigate their responsibilities as parents and financial providers.

Caregivers Matter: The occupation of caring for children is vitally important to our nation's future. Childcare providers are essential workers that should be appropriately compensated and supported.

Communities Matter: Childcare needs and priorities vary geographically, culturally and socioeconomically. Effective solutions must be responsive to the needs and opportunities of each community.

Conditions Matter: The physical environments in which young children live, learn and play have a profound effect on their health, development and life trajectory.

Quality Matters: The quality of childcare directly influences children's health, safety, development and life trajectories.

Flexibility Matters: Childcare systems should be designed to meet the diverse and changing needs and preferences of families, schools and employers, in rural, suburban and urban communities.

Collaboration Matters: Families, communities, employers, philanthropy and potentially all levels of government have roles to play in designing, building and sustaining childcare systems that meet their collective needs.

Work Matters: Employers need employees. Parents need jobs. As the workforce behind the workforce, childcare is an economic necessity at every level.

Leadership Matters: Today's intertwined childcare and workforce shortages present a significant opportunity for federal, state and local policymakers to work strategically toward building family-centered and financially sustainable childcare systems.

Childcare is not a partisan issue. It is a children's issue, a family issue, a workforce issue and an economic issue. We invite you to use this report to engage colleagues across the aisle, across chambers and across sectors to build a childcare system that works.

NCSL's Childcare Policy Work Group

Rep. Michael Bergan, Iowa

Sen. Jabari Brisport, New York

Sen. Jim Burgin, North Carolina

Rep. Katie Dempsey, Georgia

Rep. Samara Heavrin, Kentucky

Rep. Joyce Mason, Illinois

Delegate Aletheia McCaskill, Maryland

Sen. Beth Mizell, Louisiana

Sen. Tim Reed, South Dakota

Rep. Mary Ann Shallcross Smith, Rhode Island

Rep. Emily Sirota, Colorado

Sen. Linda Trujillo, New Mexico

Sen. Claire Wilson, Washington

Policy Framework Recommendations

Recommendation 1: Expand Access and Availability

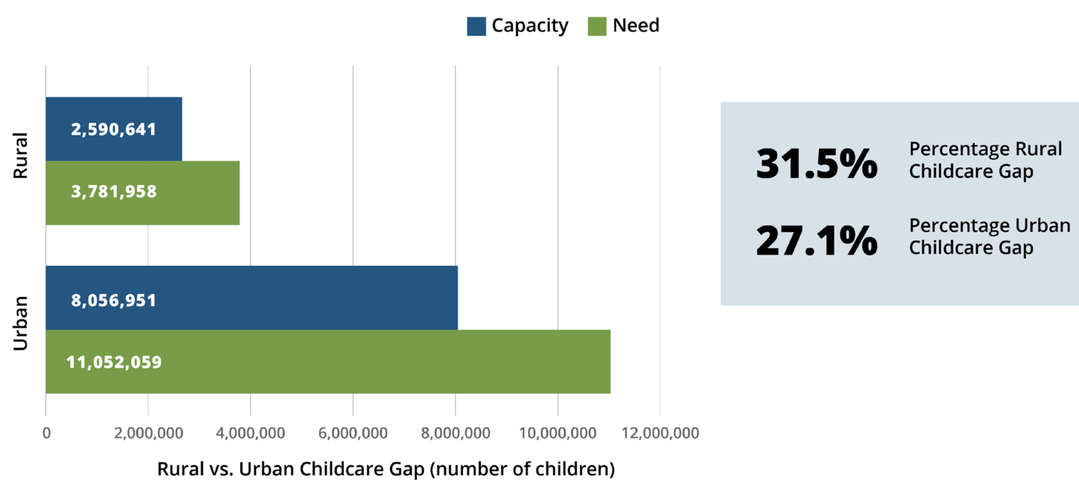
Families need affordable, high-quality childcare options that support child development and meet their unique needs and preferences.

Across the U.S., millions of families experience difficulties finding childcare conveniently located near their homes or workplaces, often forcing them to travel substantial distances or settle for less-than-ideal care arrangements. According to an analysis by the Child Care Trust, an estimated 4.1 million children lack access to childcare within a reasonable distance, defined in the analysis as 3.5 miles in urban areas and 10 miles in rural areas.

This shortage worsened after the expiration of pandemic-era federal funding, resulting in longer waitlists in some states and new waitlists and enrollment pauses for subsidized childcare in other states. The urgency of this issue is underscored by findings from the Rapid Survey Project at the Stanford Center on Early Childhood, which found 74% of parents in 2025 reported difficulty finding care in center- or home-based programs, and four in five said the lack of available childcare made it harder to work. These shortages not only limit families' childcare options but also directly affect parents' employment opportunities, household income and overall financial stability. Most parents must work for financial reasons, and for some, using care that is unlicensed, unpredictable and potentially unsafe is their only option.

Finding childcare that meets families' specific needs is a common challenge, particularly those with infants (birth to 12 months old) and toddlers (12 to 36 months old), as well as parents who work nontraditional hours or have irregular schedules. According to the Administration for Children and Families, approximately 36% of children younger than 6 years with at least one working parent have a parent who works outside standard business hours. Similarly, Gallup reports that 27% of U.S. employees have unpredictable or shifting work schedules. As a result, many families rely on family, friends and neighbors for childcare, which can offer greater flexibility, trust and affordability when formal care options are limited.

Childcare Supply Gap



Source: The Child Care Trust.

Infant and toddler care presents even more striking challenges. Because infants and toddlers require lower child-to-staff ratios, providers must employ more staff, resulting in higher costs and more limited availability. This reality can increase reliance on families, friends and neighbors to provide care, which may not be available for everyone.

For providers, limited access to capital to lease, purchase or build childcare centers or family childcare homes is a significant barrier to opening or expanding a childcare business. A 2025 survey of childcare business owners conducted by the Capital Access Learning Lab found that approximately 72% of owners were breaking even or operating at a loss, limiting their ability to qualify for traditional bank loans. Similarly, a 2022 report by the Reinvestment Fund found nearly half of childcare centers are nonprofits or affiliated with schools or government entities, which can restrict their eligibility for federal small-business loans or private-sector financing.

Even when funding is available, local zoning ordinances can limit where and how childcare providers operate. Common restrictions include minimum parking requirements, limitations on allowable locations within commercial zones and other landuse and regulatory barriers. These challenges are particularly acute for licensed family childcare homes, which typically serve small numbers of children. In some jurisdictions, family childcare homes are treated as commercial businesses, subjecting providers to additional zoning and regulatory requirements within their own residences.

A shortage of childcare workers is another reason the supply of childcare falls short of demand. Providers often cannot meet required staff-to-child ratios due to low wages, limited benefits and recruitment challenges, constraining capacity even when facilities are available and families are seeking care. See the *Invest in the Childcare Workforce* section for more information.

RATIONALE FOR ACTION

Understanding the root causes of childcare shortages is essential to designing effective policy responses. This includes knowing the difference between availability and access. Availability reflects the supply side of the system—whether sufficient childcare options exist within a community and is shaped by factors such as the number of available slots, types of care offered and geographic distribution. Access reflects the demand side—whether families can realistically use the care that is available, given cost, hours of operation, travel time, eligibility requirements and the ability of a program to meet the needs of infants and toddlers and children with special needs.

Over time, the interaction between availability and access, often described as supply and demand, has shaped today's childcare system. The U.S. childcare system is a mixed-delivery model that includes parental care in the home; licensed childcare centers; family childcare homes; faith-based programs; school-based preschool programs; Head Start and Early Head Start; and informal family, friend and neighbor care. While this mix offers families a range of options, persistent gaps in supply remain. These gaps are most pronounced in infant and toddler care, where constrained supply and higher costs limit access, despite the critical importance of high-quality care during the earliest years of development. Together, these challenges underscore the need for targeted policy strategies and sustained investments.

1a: Understand the Childcare Landscape.

Clarify the problem before setting out to fix it by: (1) Assessing the needs, ages of children and preferences of families and the childcare workforce to understand the types of support needed for both groups to thrive; (2) Examining the geographic distribution of childcare providers in relation to where families live, work and learn to identify gaps in access and areas of greatest need; and (3) Identifying gaps in available care and resources to inform targeted investments and effective policy solutions.

OPPORTUNITIES AND EXAMPLES

Some states have taken steps to strengthen the quality and use of population-level data to inform childcare planning and investment. For example, **Arkansas** (SB 50, 2025) enacted legislation to create an asset map of subsidized childcare and other social services, providing a clearer picture of service availability and gaps. **Washington** (HB 1344, 2019) authorized a regional assessment of its childcare system, including geographic data on facilities, to support more targeted and coordinated planning. Beginning Dec. 1, 2026, **Kentucky** (HB 6, 2026) will produce a monthly report of all licensed and certified childcare providers in the state and make that data publicly available.

Resource Highlight

Where is childcare available in your state?

The Child Care Trust conducted a national childcare gaps assessment. Using data provided by state administrators, researchers mapped where licensed facilities were located relative to the location of young children.

1b: Consider Policies that Support a Mixed-Delivery Childcare System.

Focus on strategies that ensure families have access to a diverse range of affordable, high-quality childcare options that reflect their needs and preferences and support positive child development.

OPPORTUNITIES AND EXAMPLES

States have adopted a range of policies to support a mixed-delivery system. **New Mexico** (SB 22, 2019) requires all state-appropriated prekindergarten funding be distributed through a mixed-delivery system. **New Jersey** (SB 3910, 2024) requires its Department of Education to regularly publish a handbook to guide school districts in developing centralized enrollment systems that prioritize family choice and include strategies to help licensed childcare providers maintain infant and toddler slots.

Resource Highlight

The Office of Child Care provides state agencies with guidance regarding the flexibilities within the Child Care Development Fund to enhance parental choice.

Other states have focused on expanding access for families with nontraditional schedules. **Illinois** (HB 1571, 2021) provides grants to early childhood programs offering care for first responders, third-shift workers and others who need care outside of traditional hours. **New York** (SB 8306, 2023) established a differential payment rate for providers serving children during nontraditional hours. **Colorado** (SB 213, 2022) created a training and support program for family, friend and neighbor caregivers, recognizing their role in serving families with flexible and unconventional care needs.

1c: Prioritize Infant and Toddler Care When Designing Early Childhood Systems.

Provide targeted support and financial incentives to help childcare providers sustain and expand services for the youngest children.

OPPORTUNITIES AND EXAMPLES

Several states have taken targeted actions to address the higher costs associated with providing infant and toddler care. **California** (AB 185, 2021) increased reimbursement rates for providers serving infants and toddlers. **Illinois** (SB 238, 2015) requires a portion of its Early Childhood Block Grant be dedicated to programs serving children from birth to age 3. **Ohio** (HB 33, 2023) allocated $15 million in its fiscal year 2024-25 budget to create the Infant and Toddler Infrastructure Grant Program, which helps providers offset the higher costs of caring for younger children. More recently, **Rhode Island** (HB 5076, 2025) established a new infant care reimbursement rate designed to help providers cover costs associated with higher staffing ratios.

1d: Ensure Childcare Systems Effectively Meets the Needs of Children with Disabilities and Developmental Delays.

Build system capacity to support children with disabilities and developmental delays in childcare settings.

OPPORTUNITIES AND EXAMPLES

Recognizing the importance of early identification and support for young children with disabilities and developmental delays, some jurisdictions are prioritizing timely services and targeted resources. **Washington, D.C.**, established a grant program to fund childcare slots for infants and toddlers with disabilities, helping expand access to inclusive early care settings. **Florida** (SB 1102, 2025) increases funding for children with special needs participating in school-readiness programs. **Montana** (HB 576, 2025) allows tobacco settlement funds and a portion of certain insurance-related tax revenues to be used to finance services for infants and toddlers with disabilities. In addition, **North Dakota** created the Inclusive Care Support Grant to help childcare programs develop and sustain inclusive environments for children with diverse needs. **Rhode Island** has incorporated universal design principles into its early learning standards to support the diverse needs of all children.

Early Intervention

Early intervention is a coordinated system of services and supports for newborns, infants and toddlers who have, or are at risk of, developmental delays or disabilities. Children are typically identified though developmental screenings conducted in pediatric, childcare and early-learning settings. Services are individualized and may be provided at home or in childcare settings or wherever the family feels most comfortable. Early intervention services are authorized under Part C of the federal Individuals with Disabilities Education Act.

Resource Highlight

How much does it cost to build or renovate a childcare center?

The National Children's Facilities Network developed a cost estimator tool that projects construction and renovation costs for center-based childcare facilities. The tool accounts for cost variations based on facility type, size and geographic location, helping policymakers and providers better understand capital financing needs.

1e: Provide Grants and Loans for Start-Up Costs and Facilities.

Offer seed capital to childcare providers interested in opening new programs or expanding their current facilities.

OPPORTUNITIES AND EXAMPLES

To expand access to capital, several states have created targeted financing tools for childcare providers. The **Maryland** (HB 993, 2022) General Assembly created a revolving loan fund offering no-interest loans for capital expenses to childcare businesses that accept subsidized childcare vouchers.

Colorado (SB 213, 2022) established an infrastructure grant program to help offset the capital costs associated with increasing childcare capacity. Similarly, **Oregon** (HB 3005, 2023) formed an infrastructure grant program that provides childcare programs, including family childcare providers, funding for the planning, design and acquisition of facilities.

1f: Update Planning, Permitting and Zoning Processes and Requirements.

Streamline the complex processes and rules for where childcare providers can legally operate.

OPPORTUNITIES AND EXAMPLES

Several states have enacted policies to ease zoning restrictions and allow childcare programs to operate in a wider range of locations. **Wyoming** (HB 126, 2024) requires local governments to treat family childcare homes as residential properties, which limits the number and types of inspections required. **Maine** (HB 937 a, 2025) allows licensed childcare facilities to operate without on-site outdoor space if a public area is reasonably accessible. **Idaho** (HB 543, 2024) prohibits homeowners associations from banning the operation of family childcare homes within residential communities.

States are also repurposing publicly owned facilities to expand childcare capacity. **Hawaii** (SB 3087, 2024) enacted legislation requiring its Department of Education to consider using closed public school buildings as childcare centers or charter schools. **Tennessee** (SB 1379, 2025) requires local education agencies to submit inventories of vacant or underused buildings to the state, creating opportunities for childcare programs to purchase or lease properties at fair market value.

1g: Improve How Families Find and Access Childcare.

Leverage technology to help families navigate the childcare marketplace, enroll in programs and tap into resources.

OPPORTUNITIES AND EXAMPLES

States increasingly use integrated data systems and other technologies to improve families' access to childcare information and financial assistance. **Minnesota** (HB 2292, 2023) established the Great Start Scholarships program, which uses administrative data within a unified online system to streamline applications for childcare assistance. **Virginia** (HB 407, 2024) makes families receiving Medicaid, Special Supplemental Nutrition Program for Women, Infants and Children (WIC) categorically eligible for subsidized childcare, reducing administrative barriers to access.

Other states are focused on improving transparency and system navigation. **California** (AB 131, 2021) launched an online portal that provides childcare program information, eligibility screening tools and links to childcare resource and referral agencies. **Connecticut's** (HB 5003, 2025) Office of Early Childhood is developing a web- and mobile-based portal to help families locate childcare in their communities and navigate the subsidy application process. **Iowa's** Child Care Connect platform allows parents to search for childcare by location or along a specific travel route and provides near-real-time data on available openings through a vacancy dashboard.

Recommendation 2: Address Affordability for Families

Making childcare more affordable for families will require a comprehensive and sustainable funding model that could include contributions from families, governments and employers.

Childcare is a significant household expense for most families in the U.S. and is often the single largest expense for those with low and moderate incomes. Data from the National Database of Childcare Prices show families spend 9% to16% of their income on full-day childcare. For many families with young children—those typically early in their earning trajectories—childcare costs hit before the parents build sufficient savings.

In 2025, the average price of care was approximately $13,000 per year, a 29% increase since 2019, according to Child Care Aware of America. Infant care is especially costly, with average annual prices exceeding $15,000 for center-based care. Costs vary widely by state, largely reflecting differences in labor costs and overall cost of living. In 2025, annual center-based infant care ranged from $6,492 a year in Mississippi to $27,067 a year in Massachusetts. In 38 states, these costs exceed the average in-state college tuition, according to Child Care Aware of America, underscoring the financial strain on families.

Why is childcare so difficult for families to afford? The simple answer is that the cost of providing care exceeds what most what families can afford to pay. Unlike K–12 public education, the childcare system relies heavily on parent tuition to cover operating costs. While some families receive financial assistance from state or local governments or employers, access is limited. States and territories administer the largest source of public childcare funding through federal programs, yet only 16% of eligible children under federal guidelines receive a childcare subsidy, according to the U.S. Government Accountability Office.

Labor costs are the primary driver of childcare expenses, accounting for 70% to 80% of total operating costs, according to the federal Office of Child Care. This is despite the childcare workforce being among the lowest paid in the U.S. economy, earning an average of $15.93 per hour, according to the Bureau of Labor Statistics. Young children require constant supervision, low adult-to-child ratios and individual attention, making childcare an inherently labor-intensive, human-to-human service that cannot be made more affordable through automation or workforce reductions.

Paid Family and Medical Leave for Families with a New Child

Paid family and medical leave support healthy beginnings during the critical period of newborn development and parent-child bonding. By allowing parents to take time off work, paid leave helps stabilize families during the transition after birth, reduces stress linked to economic security. It also partially fills a childcare gap, given that licensed childcare for newborns is extremely limited in supply. States are taking many distinct policy approaches to paid leave, reflecting differences in political context, existing systems and fiscal capacity. For more details, see NCSL's summary of state paid family and medical leave options.

Together, these dynamics create a structural challenge in which providers struggle to cover costs, workers remain underpaid and families face prices they cannot sustain.

Other major business expenses for childcare providers include:

- Facility-related costs, including lease or mortgage payments, renovations and improvements, equipment purchases, and the ongoing maintenance of age-appropriate indoor and outdoor environments.
- Insurance expenses, such as liability and workers' compensation coverage, have increased in recent years and now represent a growing share of operating costs. Additional details on insurance challenges are discussed in the *Strengthen Small Childcare Businesses* section.
- Costs to meet health, safety and quality standards, including licensing and inspection fees, mandated background checks for staff, food safety equipment, and childcare business management and compliance software.

RATIONALE FOR ACTION

High-quality childcare is essential for working families and supports optimal child development. Research consistently shows that access to stable, high-quality care is associated with improved cognitive, social-emotional and long-term developmental outcomes for children. Conversely, limited access to affordable childcare may compel families to choose lower-quality arrangements, which can increase stress for parents and potentially impact children's well-being.

The consequences of unaffordable or inaccessible childcare extend beyond individual households to the broader economy. Access to affordable, reliable childcare is closely linked to workforce participation, employee retention and long-term economic growth. A 2026 ReadyNation study estimates that childcare challenges cost the U.S. economy $172 billion annually in lost earnings and productivity. When families can secure affordable, high-quality childcare, parents—particularly mothers—are more likely to be employed and achieve greater economic security, benefiting both families and employers.

2a: Expand the Reach of Childcare Assistance Programs.

The federal government allows flexibility for states to design their childcare subsidy systems. Use this flexibility to serve more families who are at risk of homelessness or involvement with the child welfare system, as well as families whose incomes exceed poverty thresholds.

OPPORTUNITIES AND EXAMPLES

Some states provide categorical eligibility or priority access to childcare subsidies for families involved with other public systems or experiencing instability. In **Illinois** (HB 4885, 2018), families receiving family preservation services are categorically eligible for subsidized childcare, with eligibility continuing for up to six months after a case closes. **Maine** (SB 682 a, 2025) designated children receiving child welfare services as a priority population for expanded childcare access. **North Carolina** (HB 259, 2023) set aside 4% of its subsidized childcare funds for specific populations, including families experiencing homelessness or living in temporary housing.

States are also taking steps to make childcare more affordable and accessible for working families. **Alaska** (SB 95, 2025) caps family copayments for childcare at 7% of monthly income. **Massachusetts** (HB 4800, 2024) expanded eligibility for childcare assistance to families earning up to 85% of the state median income. **Washington** (HB 2124, 2023) requires provider reimbursement rates to be adjusted every two years to account for inflation.

2b: Develop Incentives for Businesses to Help Families Afford Childcare.

Create mechanisms and/or incentives for employers to financially support the childcare needs of their employees.

OPPORTUNITIES AND EXAMPLES

States are implementing an array of options to encourage employer involvement and private-sector investment in childcare solutions. Several states focus on partnerships that support childcare infrastructure and capacity. **South Carolina** offers a tax credit to businesses that cover up to 50% of capital expenditures for constructing childcare facilities for their employees. In **Iowa**, the Statewide Child Care Solutions Fund matches each dollar of local private investment in childcare with $2 in state funds. **Tennessee** established the New Employer Workforce Care Partnership grant, which awards funding to childcare organizations to expand access and capacity when supported by a local private employer. From 2021 to 2024, **Colorado** convened design labs to help employers develop on-site or nearby childcare programs tailored to their workforce needs. States are also using tax incentives and grants to help employers offset childcare costs for their employees. **Mississippi** (HB 1734, 2023) expanded its business income tax credit to allow companies to claim a credit for contributing at least $6,000 to a licensed or registered childcare provider on behalf of an employee. **Indiana's** Employer-Sponsored Child Care Fund provides grants to employers to assist with the cost of Dependent Care Assistance Plans for their employees.

Cost-sharing models that distribute childcare expenses among employers, families and public partners are another way to encourage businesses to contribute to childcare costs. Additional information on cost-sharing approaches is available in the *Fund for the Future* section of this report.

2c: Leverage State Tax Code to Offset Costs for Families and Providers.

Adopt tax policies that reduce childcare expenses, such as tax credits and flexible spending accounts for families and tax credits and exemptions for providers.

OPPORTUNITIES AND EXAMPLES

Tax policy can be used in several ways to support childcare affordability. One tool is the federal Child and Dependent Care Tax Credit, a nonrefundable tax credit that assists with childcare expenses for children under age 13 or for adult dependents. Eligible taxpayers may claim between 20% to 50% of qualifying expenses, depending on income, up to $3,000 for one child or $6,000 for two or more children. At least 26 states and Washington, D.C. offer their own versions of the credit. For example, **Georgia** (HB 136, 2025) expanded its state credit to equal 50% of the federal credit.

Child tax credits are another strategy states use to support families. The federal Child Tax Credit is a partially refundable credit that reduces tax liability for low- and moderate-income families and phases out at higher income levels. At least 17 states have adopted their own child tax credits. **Oregon** (HB 3235, 2023), for instance, has a refundable state child tax credit of up to $1,000 for families earning less than $30,000.

States also use earned income tax credits to reduce tax liability and increase after-tax income. In addition to the federal EITC, 27 states, Washington D.C., Guam and Puerto Rico offer refundable state credits, typically calculated as a percentage of the federal credit. **Montana** (HB 337, 2025) expanded its EITC, increasing the credit from 10% to 20% of the federal EITC beginning in 2026.

In addition to supporting families directly, some states provide tax credits to childcare providers to help offset operating costs and limit tuition increases. **Alabama** (HB 358, 2024) offers a tax credit for each child served, with the credit amount tied to the provider's quality rating. **Louisiana** (HB 3 c, 2024) and **Nebraska** (LB 889, 2016) have adopted similar provider tax credits, helping stabilize supply and affordability.

Recommendation 3: Invest in the Childcare Workforce

To have a high-quality, economically viable childcare system, providers must be adequately compensated and have access to education, training and other professional development opportunities.

The childcare workforce is the foundation of early care and education systems. Nearly 95% of childcare workers are women, according to the Federal Reserve Bank of Cleveland. Estimates of workforce size range widely from 520,000 to 2.2 million workers, depending on definitions and data sources. For example, the U.S. Bureau of Labor Statistics counts only workers who are on formal payrolls, primarily in center-based settings, while broader measures used by the Center for the Study of Child Care Employment include home-based providers, nannies and administrators. Regardless of the definition, the childcare workforce is simultaneously too large and essential to overlook and too small to meet the needs of families nationwide. The Bureau of Labor Statistics projects about 160,000 job openings for childcare workers each year over the next decade, reflecting ongoing challenges in both recruitment and retention.

Despite strong consumer demand, persistent financial strain and limited earning potential make it difficult to attract and retain qualified childcare professionals. According to Bureau of Labor Statistics, the national mean wage for childcare workers is $15.93 an hour, lower than the average wages of retail sales workers ($17.05), animal caretakers ($16.71) and dishwashers ($15.97). Research from the Center for the Study of Child Care Employment shows that 43% of early educators rely on at least one public safety net program, and 13% live below the poverty level—a rate nearly six times higher than the rate of elementary and middle school teachers. In addition, the Federal Reserve Bank of New York found early childhood education majors earn a median annual wage of $45,000 as new graduates, ranking sixth lowest among all college majors, with median mid-career earnings of $52,000, the lowest across all fields of study.

Low compensation contributes directly to exceptionally high turnover rates. The Federal Reserve Bank of Cleveland reports that turnover among childcare workers is approximately 65% higher than comparable occupations, largely due to low wages and limited advancement opportunities. Similarly, an analysis of workforce registries in eight states by the Buffett Early Childhood Institute at the University of Nebraska found that 44% of early childhood workforce members exited the profession between 2023 and 2025, further constraining supply and disrupting continuity of care for children and families.

Limited access to employee benefits also contributes to workforce instability. The Economic Policy Institute reports that only 21% of childcare workers receive employer-sponsored health insurance, while 23% rely on Medicaid, according to Center for the Study of Child Care Employment. Additionally, a 2023 report from the Federal Reserve Bank of Boston found that even when retirement benefits are offered, many childcare workers are unable to participate because their wages are too low to allow for consistent contributions.

Resource Highlight

What is the state of the childcare workforce in your state?

The Center for the Study of Child Care Employment and the Committee for Economic Development have comprehensive workforce data.

RATIONALE FOR ACTION

Simply put, without a childcare workforce there can be no childcare system. When childcare programs can recruit and retain qualified staff, they can keep classrooms open, maintain reliable hours of operation and serve more families. In turn, this reduces waitlists and the number of families turned away due to staffing shortages. A stable, adequately supported workforce also enables providers to consistently deliver high-quality early learning experiences that support children's development and long-term success.

Evidence shows that strengthening the childcare workforce yields measurable benefits for families and communities. A 2024 study examining Washington, D.C.'s Pay Equity Fund, which provides direct wage supplements of up to $14,000 per year, found that increased staffing capacity allowed programs to serve more children, generating an economic value of more than $17 million annually. Similarly, research from the University of Virginia demonstrates raising wages and improving working conditions for childcare professionals leads to lower turnover rates and fewer staffing-related closures.

3a: Ensure Fair Compensation for the Childcare Workforce.

Offer competitive wages, employee benefits and professional development incentives that reflect the essential role of childcare workers.

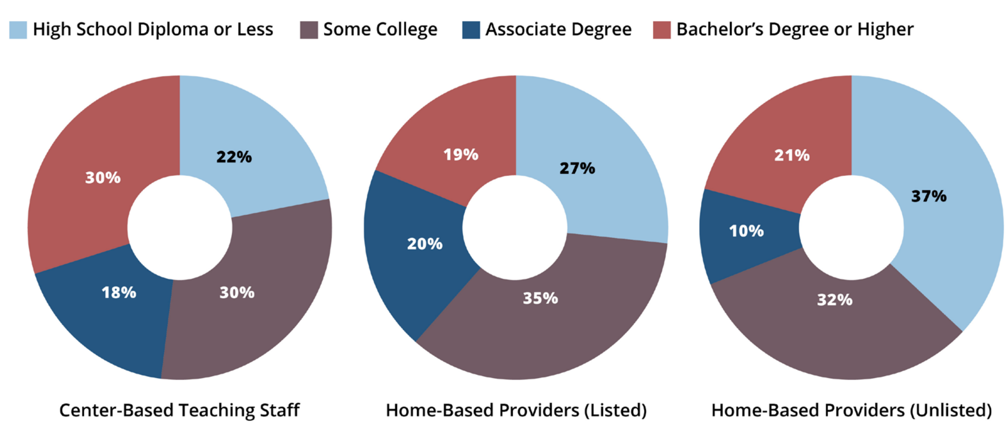
OPPORTUNITIES AND EXAMPLES

A growing number of states have enacted policies to improve compensation and support recruitment and retention in the childcare workforce. **Vermont** (HB 217, 2023) increased the minimum wage for childcare providers and established future wage adjustments tied to average educator wages, as determined by the Bureau of Labor Statistics. **Washington, D.C.** (B 650, 2021) created a pay parity grant program to align compensation for childcare providers serving children birth to age 3 with that of prekindergarten educators and D.C. Public Schools staff. **Tennessee** (SB 543, 2023) established a grant fund supporting nonprofit childcare providers in recruiting and retaining staff.

Other states have adopted compensation supports that span the mixed-delivery system. **Iowa's** Child Care WAGE$ is a salary-supplement program for the early care and education workforce based on education level and program quality rating. **Pennsylvania** (HB 416, 2025) launched the Child Care Staff Recruitment and Retention Program, which provides annual payments to eligible providers. **Minnesota** (SB 2995, 2023) established Great Start Compensation Support Payments, offering supplemental funding to childcare providers across the mixed-delivery system, including home-based childcare programs.

3b: Expand Access to Educational Pathways for Career Advancement.

Education of the Early Care and Education Workforce, By Setting, 2019



Note: Percentages may not total 100 due to rounding.

Source: 2024 Center for the Study of Child Care Employment; Authors' analysis of NSECE 2019 data.

Create and support initiatives that make it easy and affordable for people to enter the childcare field and gain the qualifications needed to succeed.

OPPORTUNITIES AND EXAMPLES

States are investing in workforce pathways to strengthen recruitment, credentialing and career advancement in the childcare sector. **North Carolina** established community college-based childcare academies to streamline credentialing and entry into the workforce for prospective providers. **South Dakota** allows high school students to earn a Child Development Associate credential through a combination of coursework and 480 hours of supervised, hands-on training in childcare programs. The Early Childhood Innovation Center in **Delaware** supports career advancement by providing scholarships to childcare workers pursuing associate or bachelor's degrees and offering completion stipends for those who remain in the field at least six months after graduation. **New Mexico** (HB 303, 2024) created a pilot program that awards stipends to participants in workforce training for childcare and other priority employment fields.

States have also expanded apprenticeships and pre-apprenticeships to support entry and advancement within the early childhood workforce. **West Virginia's** Apprenticeship for Child Development Specialist program has been operating since 1989 and offers a four-semester model that combines classroom instruction with paid, on-the-job training for professionals working at least 20 hours a week. Participants earn a journeyperson credential upon completion, which may be applied toward additional postsecondary education. Similarly, **Rhode Island's** Family Child Care Pre-Apprenticeship program provides targeted training and support designed to strengthen the family childcare workforce.

Child Development Associate Credential

The **Child Development Associate Credential** is a nationally recognized credential for early childhood educators that certifies professional knowledge and competency in working with young children. Some states require or incentivize a CDA for licensing purposes, quality ratings or workforce advancement.

3c: Offer Employee Benefits and Supportive Work Environments.

Incentivize and create options to access health insurance, retirement plans and other benefits to support the workforce's long-term stability and commitment to the field.

OPPORTUNITIES AND EXAMPLES

States are expanding access to employee benefits to improve recruitment and retention in the childcare workforce. **Maryland** (HB 859, 2025) helps childcare professionals access health coverage by coordinating outreach with state agencies and nonprofit partners and increasing awareness of the Maryland Health Benefit Exchange and Medicaid. **Arkansas** (SB 148, 2025) allows eligible early childhood educators to participate in the Arkansas Teacher Retirement System. **Massachusetts** (HB 4800, 2023) established a loan-forgiveness program for early childhood professionals, prioritizing workers serving in communities with childcare shortages or serving children and families with high needs. **Michigan** allocated $4.4 million to Nurture Benefits pilot initiative, in partnership with the Small Business Association of Michigan, to help childcare businesses offer health insurance, retirement plans and other benefits to their employees.

In recent years, states have also enacted policies to help childcare workers afford childcare for their own children. In 2022, **Kentucky** became the first state to amend its childcare subsidy eligibility rules to allow childcare employees to qualify for assistance regardless of their household income. **Oklahoma** (HB 2778, 2025) launched a three-year pilot program providing no-cost childcare for employees of licensed providers who earn less than $60,000 annually or have a total gross household income below $120,000. **Texas** (SB 462, 2025) took a similar step, granting childcare workers priority placement on subsidy waitlists.

Recommendation 4: Modernize Licensing and Quality Rating Systems

Effective quality-improvement and licensing systems provide the oversight necessary to protect and promote the health, safety and development of children and the childcare workforce.

Childcare licensing is the regulatory framework states use to establish minimum health, safety and operating standards for childcare providers and to authorize them to legally operate. State licensing agencies issue rules and regulations and monitor compliance through inspections and oversight. In addition to protecting children's health and safety, licensing systems promote provider accountability, and offer training, technical assistance and educational resources to support compliance.

At the federal level, the Child Care and Development Fund requires states to establish and enforce health and safety standards and to make licensing and inspection results publicly available. Oversight is often shared across multiple state and local entities, including human services or health departments, fire marshals and, in some cases, third-party contractors. Some states require childcare providers to be licensed to receive subsidy payments, while others allow license-exempt providers to participate if they meet basic health and safety requirements and complete required background checks.

While licensing establishes the baseline for child safety and program operation, quality-rating systems build on that foundation to encourage continuous improvement and higher standards. These systems emerged in the early 2000s as research increasingly demonstrated that early experiences, learning environments and caregiver-child interactions play a critical role in children's development and long-term outcomes.

Often voluntary, quality rating systems assess program quality across multiple domains, often including workforce qualifications, interactions with children, learning experiences, family engagement and ongoing professional development. Programs may receive coaching, training and technical assistance to support improvement, and ratings are typically made publicly available to help families make informed choices.

RATIONALE FOR ACTION

States across the country are reevaluating childcare licensing and quality ratings systems as the broader childcare and early childhood landscape evolves. In many cases, providers must navigate multiple state and local oversight entities to obtain and maintain licenses and quality ratings, creating administrative complexity and additional paperwork and costs for programs that are already operating with thin margins. These challenges are often most acute for small providers and those serving rural communities.

At the same time, state licensing agencies, which have historically focused on monitoring and compliance, such as inspections, hours of care and authorized capacity, are increasingly expected to support quality rating systems that emphasize broader performance and quality indicators. This expanded role can strain agency capacity and create overlapping or duplicative expectations for both regulators and providers.

What Is High-Quality Childcare?

The **quality** of childcare exists on a continuum and is shaped by factors such as physical space, learning environments, program culture and caregiving practices. High-quality care is generally understood to be care that supports healthy physical, social, emotional and cognitive development for infants, toddlers and preschoolers, while also supporting the needs of families and the workforce.

Quality rating systems provide a structured framework for measuring, improving and communicating quality in childcare and school-age settings. While their design varies by state, they typically include multiple tiers of standards and an easily identifiable rating to help families evaluate childcare options.

Periodic reviews of regulations and quality-rating criteria can help ensure these systems remain aligned with current research, promote child health and development, and protect safety, while avoiding unintended consequences that undermine the financial viability of legally operating childcare businesses. Contemporary reform efforts often emphasize supportive monitoring, streamlined and coordinated oversight, improved use of integrated technology and a focus on continuous quality improvement rather than solely on compliance.

4a: Prioritize Continuous Quality Improvement.

Promote a continuous quality-improvement approach that helps childcare providers learn, adapt and improve their practices.

OPPORTUNITIES AND EXAMPLES

Using provider and stakeholder feedback, **Michigan** transitioned away from ratings as a primary measure of quality in its Great Start to Quality program and instead adopted a model centered on continuous quality improvement. According to the Quality Compendium, **Alaska** requires programs at every level of its quality rating system to develop and implement quality improvement plans that emphasize ongoing progress rather than static ratings.

Nevada uses a phased approach in its rating system, which prioritizes provider support. The state's rating system begins with a six-month introductory period during which participating programs are paired with coaches from a technical-assistance provider, complete required training and receive an initial rating. The second phase consists of a two-year coaching cycle focused on implementing individualized quality-improvement plans. Coaching is available on an ongoing, voluntary basis, and programs are reevaluated every two years to support ongoing improvement.

4b: Evaluate Need for and Effectiveness of Regulations.

Systematically review, refine or remove regulatory requirements that are not tied directly to child health, safety and development.

Resource Highlight

What are the basic standards all states and territories should consider adopting?

Caring for Our Children Basics is a nationally recognized set of voluntary, foundational health and safety standards for childcare settings. The standards were developed by the Office of Child Care within the Administration for Children and Families to help states, tribes, territories and providers establish a baseline level of protection for children across childcare settings.

OPPORTUNITIES AND EXAMPLES

States are adopting targeted strategies to reduce unnecessary regulatory burden, while maintaining health and safety protections in childcare oversight. In **Colorado**, Early Childhood Councils may request waivers from the state's Early Childhood Leadership Commission when specific regulations interfere with childcare program operations, allowing for flexibility while maintaining accountability.

Georgia uses a differentiated inspection approach for licensed childcare providers. Programs undergo two inspections annually: one comprehensive inspection reviewing all regulations and a second one focused on core health and safety requirements and any previous violations. In **Missouri**, a governor-convened stakeholder taskforce reviewed the state's childcare regulations and found more than 10% were outdated or redundant. The task force recommended consolidating separate rulebooks for licensed family homes, group homes and centers into a single, streamlined set of regulations.

Florida (SB 738, 2025) adopted a similar approach, authorizing abbreviated inspection plans for family childcare homes that have maintained licensure for at least two years and have no history of serious violations.

4c: Streamline the Oversight Process.

Create a more efficient oversight process for childcare providers and government partners by improving coordination among the entities responsible for setting and enforcing standards.

OPPORTUNITIES AND EXAMPLES

States are adopting strategies to streamline oversight processes and improve administrative efficiencies. In **Oklahoma** (HB 1847, 2025), local governments are prohibited from imposing fire or safety requirements on childcare homes that exceed those established in the International Building Code. **Kentucky** allows virtual audits of staff credentials through optional access to a providers' childcare management software, helping to reduce administrative delays. **Tennessee** assigns program specialists from its Department of Human Services to coordinate inspections for prospective providers, reducing the number of separate inspections new programs must complete. To reduce duplication, **Texas** law stipulates that the state may not conduct a redundant fire or sanitary inspection when a childcare facility presents valid documentation of a recent inspection conducted by a local authority.

States are also aligning licensing and quality standards with nationally recognized accreditation models. **Indiana** childcare providers must be accredited by an approved national accrediting organization to achieve the state's highest quality rating. **Alabama's** quality rating system automatically awards licensed childcare centers and family childcare a one-star rating, recognizing compliance with baseline standards. In **Pennsylvania**, programs accredited by the American Montessori Society, the National Association for Education of Young Children, the National Association for Family Child Care or the National Early Childhood Program Accreditation automatically qualify for the highest tier in the state's quality rating system. According to the Quality Compendium, accreditation is incorporated in the quality rating system of at least 34 states.

School Readiness

School readiness is the skills, knowledge and experiences children are expected to have when they enter kindergarten. School readiness is typically understood across five interrelated developmental domains:

- **Physical development:** Children's overall health, physical well-being and development of fine and gross motor skills.
- **Cognitive development:** Early language and literacy skills, as well as the ability to think, learn and solve problems.
- **Social and emotional development:** The ability to interact positively with peers and adults, regulate emotions and form relationships.
- **Approaches to learning:** Curiosity, persistence, willingness to try new tasks and interest in learning and classroom activities.
- **Executive functioning:** Skills that support attention, focus, self-control, memory and age-appropriate behavior in structured settings.

Recommendation 5: Strengthen Small Childcare Businesses

The childcare sector is predominantly made up of small, locally owned, women-led businesses. Many of these owners would benefit from guidance, training and practical support to develop their business skills and strengthen their operations.

Small childcare businesses are a vital component of the broader early care and education system and make up the vast majority of providers nationwide. According to Census Bureau data from

2022, just over 63,000 businesses offered childcare services. Of those, roughly 40% had five or fewer paid staff, and 80% employed fewer than 20 employees. In addition, a 2023 Census Bureau report found that nearly 535,000 childcare establishments have no paid employees, reflecting the prevalence of family childcare programs and other sole proprietorships serving as both caregivers and business operators.

Despite their essential role, most childcare businesses operate with extremely narrow financial margins. The Bipartisan Policy Center reports that most for-profit childcare programs have profit margins below 1%. Among providers with no paid staff, nearly 80% of establishments reported earning less than $25,000 in annual business income in 2023. A survey by the National Association for Family Child Care further illustrates these challenges, finding that 35% of family childcare providers reported take-home pay of less than $10 per hour after accounting for business expenses.

In addition to staffing and financial constraints, many childcare providers are navigating the complex demands of running a small business, often without access to formal business training. Research suggests that targeted support can make a meaningful difference. A 2024 study by the McCormick Center for Early Childhood Leadership found that professional development focused on small business and administrative management leads to measurable improvements in family childcare providers' business practices. Research in 2019 by All Our Kin, a national organization that provides business training and one-on-one coaching to childcare providers, found that participation in individualized business coaching increased their income by 93%.

At the same time, liability insurance has emerged as a growing challenge for childcare providers. According to a survey by the National Association for the Education of Young Children, more than one in eight providers reported premium increases of $10,000 or more, and nearly two-thirds indicated they would be forced to close if they were unable to secure coverage. A lack of insurers willing to underwrite childcare providers is a key factor driving this growing challenge. Research by Zero to Five Montana found 41% of surveyed providers had been dropped by their insurance carrier. Together, rising costs and declining coverage pose significant risks to providers' financial stability and continued operation.

RATIONALE FOR ACTION

To succeed, childcare providers must pair expertise in child development with strong business management skills. When providers struggle financially—or close altogether—the impacts extend well beyond individual programs. Families lose access to reliable care, children lose stable learning environments, and employers face increased workforce disruptions as parents are forced to adjust work schedules or leave the labor force. Policymakers therefore have multiple reasons to consider how to strengthen businesses practices, cultivate leadership across the childcare field and address providers' persistent financial challenges.

Source: Little Learner Academy, Alamosa, Colorado.

5a: Build Childcare Providers' Capacity to Operate a Successful Business.

Provide training, tools and support to help home- and center-based owners and administrators navigate the complexities of running a childcare business.

OPPORTUNITIES AND EXAMPLES

Several states are providing targeted business and operational supports to help childcare providers strengthen their business practices. **Wisconsin** offers shared back-office support services, including payroll processing and benefits management, to create operational efficiencies for providers. **Arizona's** Early Childhood Business Solutions program delivers training and individualized coaching to help childcare businesses meet operational and financial goals. **Arkansas** Resource Connections gives providers access to over 2,000 practical tools and handbooks covering budgeting, human resources, safety and other topics. In **Oklahoma,** federal Preschool Development Grant funds support quarterly business academies designed to promote professional growth and strengthen providers' business skills. Similarly, **South Dakota's** 360 Support Program provides childcare directors with individualized support on key topics.

5b: Cultivate Small Business Leaders and Entrepreneurs.

Invest in leadership development and entrepreneurial opportunities for current and aspiring childcare owners.

OPPORTUNITIES AND EXAMPLES

States are also investing in leadership development to support program management and workforce stability. **Utah** offers a Director's Toolbox Endorsement, which requires completion of four 10-hour courses covering leadership and self-reflection, building positive workplace culture, staff supervision and effective communication. The Early Childhood Leadership Institute in **New Jersey** offers the HEART of Leadership Series for early childhood administrators with a focus on self-awareness and fostering a positive climate in childcare programs. The Buell Early Childhood Leadership Program in **Colorado** is a fellowship for early childhood practitioners and cross-sector partners and focuses on developing leaders who can impact organizational, community and policy change.

5c: Increase Access to Affordable Business Insurance Coverage.

Ensure the insurance coverage necessary to operate a childcare business is available and affordable for providers.

OPPORTUNITIES AND EXAMPLES

Early to address the insurance problem, in 2007, Texas created a state-supported liability insurance pool to improve access to affordable coverage for childcare providers. Since then, a handful of states have begun exploring their options. **Connecticut** (HB 5003, 2025) enacted legislation to assess the availability and affordability of liability insurance for center- and home-based childcare providers. **North Carolina** (HB 412, 2025) created a work group of insurance experts and childcare providers to identify strategies to reduce liability insurance costs. Oregon (SB 1535, 2026) is directing its Department of Early Learning and Care to convene a work group to study liability insurance challenges and develop cost-reduction strategies for childcare providers.

5d: Enable State Technology Systems to Interact with Common Childcare Business Platforms.

Integrate state technology systems with private-sector childcare management platforms to streamline *data sharing and create time- and cost-saving efficiencies for state agencies and childcare providers.*

OPPORTUNITIES AND EXAMPLES

States are using technology and systems integration to reduce administrative burden and improve efficiency for childcare providers participating in subsidy programs. **Iowa** linked its childcare subsidy payment system with multiple childcare business management platforms, streamlining data reporting required for reimbursement. **Minnesota** took a similar approach, connecting several childcare management systems with the state's provider hub to simplify enrollment verification and attendance documentation.

Kentucky and New Mexico took slightly different approaches. **Kentucky's** Division of Child Care provides all licensed and registered childcare programs with free childcare management software to support waitlist tracking, attendance monitoring, invoicing, staff training coordination and communication with families. **New Mexico** designed and is hosting its own platform for licensed and registered childcare programs. The system streamlines and supports contract management, provider payments, employee records, and childcare ratings and certifications.

Recommendation 6: Fund for the Future

How childcare systems are financed is central to their effectiveness, and today's fragmented and misaligned funding streams create or reinforce inefficiencies and service gaps. As the federal government makes significant policy and funding changes, states have a timely, bipartisan opportunity to improve coordination and build financially sustainable childcare systems designed to meet current needs and future challenges.

Federal funding from multiple sources has long been a cornerstone of state childcare systems. The Child Care and Development Fund is the primary federal block grant supporting childcare affordability for low-income working families, quality improvement efforts and expansion of provider capacity. States and territories can also use other federal funding streams, including Temporary Assistance for Needy Families and the Social Services Block Grant, to fund childcare that supports parental employment and family self-sufficiency. In addition, Head Start and Early Head Start, administered through direct federal grants to local providers, deliver comprehensive early learning, health, nutrition and family support services to low-income children from the prenatal period through age 5.

Several programs indirectly support childcare access and systems-building. These include the Preschool Development Grant Birth through Five program, Parts B and C of the Individuals with Disabilities Education Act, and the Maternal Infant and Early Childhood Home Visiting program. Collectively they support early childhood infrastructure through planning, coordination, family support and early developmental services.

Federal childcare funding has grown modestly over time and has not kept pace with inflation or rising costs in the childcare market. Temporary investments during the COVID-19 pandemic helped prevent widespread program closures, stabilize the early childhood workforce and preserve access to care for millions of families. The expiration of these short-term funds highlighted longstanding structural challenges in the childcare sector and the limitations of relying on temporary funding to address persistent, systemic needs. Combined with more recent federal policy

Federal Funding for Childcare

The **Child Care and Development Fund** is the primary federal grant program that helps working families afford childcare and supports providers in improving quality. The program has two components:

Child Care Entitlement to States includes fixed annual allocations based on historical funding, also known as mandatory funds, and matching funds, which require a state contribution to draw down additional federal dollars.

The **Child Care and Development Block Grant** provides discretionary funding to states through a formula based on per capita income, the number of children under age 5 and the number of children eligible for the National School Lunch Program. The Department of Health and Human Services administers the block grant, while state agencies design and manage their programs. To qualify for subsidies, parents must be working or participating in job training or education, have family income at or below 85% of the state median income and have children younger than 13.

Other Federal Funding Streams

The **Child and Adult Care Food Program** provides federal funding to childcare centers, family childcare homes and afterschool programs to serve nutritious meals and snacks. The program aims to improve child health and nutrition, particularly for children from low-income families.

Temporary Assistance for Needy Families provides cash assistance and employment services to low-income families. States may use TANF funds directly for childcare or transfer up to 30% of their TANF funds to their Child Care and Development Block Grant.

Social Services Block Grant is a flexible formula grant that supports a wide range of services for vulnerable children and adults. Funds may be used for at least 28 types of services, including childcare. There is no state matching requirement, and states may transfer up to 10% of their TANF funds to their Social Services Block Grant.

The **Preschool Development Grants Birth Through Five** program is a competitive grant that helps states and territories strengthen coordination across early childhood systems through mixed-delivery models. The program includes two grants: a one-year planning grant and a three-year renewal grant. Both require a 30% non-federal match.

shifts, states and territories now have opportunities to consider how to shape high-functioning, sustainable childcare systems.

RATIONALE FOR ACTION

Researchers and policymakers broadly agree that the current childcare system remains structurally fragile and that no single policy lever can resolve its underlying challenges. Childcare subsidies are essential for the families who receive them. However, as currently structured, they are insufficient to serve as the primary financing mechanism for the system. They often reach too few families, typically are insufficient to cover the true cost of care and lack the stability necessary to support providers' ongoing operation, expand capacity or sustain a fairly compensated workforce.

Evidence consistently shows that childcare expenses are driven primarily by two factors: labor costs and health and safety standards. As a result, market prices alone cannot close the gap between what it costs to deliver quality care and what most families can afford to pay. Increasingly, economists suggest that states consider pairing childcare subsidies with additional public investments in childcare and thoughtful system design. In the report Economics & Child Care: Where Are We Now and Where Do We Go?, experts and economists "universally agreed that the system requires both supply-side and demand-side investment strategies." This includes expanded subsidies, grants and contracts to preserve and grow supply, paired with dedicated investments in facilities and infrastructure.

6a: Develop a Strategic Financing Plan.

Consider the suitability of current and potentially new funding streams and assess short- and long-term financial needs to guide supply- and demand-side budgeting and financing decisions.

OPPORTUNITIES AND EXAMPLES

States are increasingly turning to data and cost modeling to better understand, plan for and sustain childcare financing. In **Arizona**, with funding from the state's Department of Economic Security and technical assistance from the Children's Funding Project, a national nonprofit that helps states and local communities develop sustainable public financing strategies, stakeholders developed an interactive early childhood fiscal map. The map helped policymakers visualize complex funding streams, understand variations in funding levels and make more informed decisions to support school readiness and early learning. **New Mexico** developed a cost-model calculator to help childcare centers and home-based childcare providers estimate how childcare subsidy rates affect their financial viability. New Mexico also requires its Early Education and Care Department to update a comprehensive financial plan every four years (SB 22, 2019). Similarly, beginning Oct. 1, 2026, **Kentucky** (HB 6, 2026) will require its state budget director to publish an annual report detailing all state and federal spending on childcare and early childhood services from the previous fiscal year.

More broadly, states are reassessing how childcare subsidy rates are set. According to the First Five Years Fund, eight states and Washington, D.C., have moved or are transitioning away from market-based rate surveys in favor of cost-estimation models that more accurately reflect the true cost of providing care and support provider sustainability.

Resource Highlight

What is the difference between market-based rate surveys and cost-estimation models?

The American Institutes for Research offers guidance and best practices for estimating the cost of childcare and other early childhood programs.

6b: Optimize Use of Flexible Federal Funding Streams.

Fully draw down available funds and strategically use allowable flexibilities to finance a comprehensive early childhood system.

OPPORTUNITIES AND EXAMPLES

States have several opportunities to ensure they have access to every available federal dollar to support childcare and early childhood systems. One opportunity involves fully leveraging the Child Care and Development Fund, a portion of which is allocated through a formula that includes state maintenance-of-effort and matching requirements. States that do not meet these requirements are unable to draw down their full federal allotment. An analysis by Child Care Aware of America found seven states did not meet CCDF matching requirements between 2016 and 2020, leaving federal funds on the table.

Temporary Assistance for Needy Families is another significant, and often underused, source of flexible federal funding for childcare. Many states do not fully spend all their annual TANF allocations, resulting in large unobligated balances. The Buffett Early Childhood Institute reported that in fiscal year 2023, 38 states held a combined $7.2 billion in unobligated TANF funds, which could be used to expand access to childcare. Some states have begun to use this flexibility more intentionally. **New Hampshire** (HB 2, 2025) has authorized the use of TANF funds to cover shortfalls in funding in employment-related childcare services, while **Texas** (SB 1, 2025) approved a one-time TANF investment of $106.8 million to serve additional eligible children in its subsidized care program.

States can also transfer up to 30% of TANF funds to CCDF. According to the First Five Years Fund, in fiscal year 2023, 27 states transferred more than $1 billion from TANF to CCDF. The Office of Family Assistance states that childcare funding could have increased by $3.5 billion in fiscal year 2024 if all states had transfered the full 30% to CCDF.

The Social Services Block Grant provides another flexible funding source. States may use SSBG funds for 29 different services, including childcare. In 2022, 24 states invested approximately $245 million in childcare through SSBG.

These examples illustrate that states have significant opportunities to coordinate and strategically draw down and deploy existing federal funding.

Resource Highlight

Want to learn more about federal funding streams that help support childcare and early learning?

Check out NCSL's report on the variety of funding streams available.

6c: Establish Predictable and Sustainable State Revenue Streams.

Create and maintain stable, diversified, long-term funding mechanisms that provide predictable operating support for childcare and early childhood systems.

OPPORTUNITIES AND EXAMPLES

States have adopted a range of strategies to establish dedicated, sustainable revenue streams for early childhood programs, including creating special funds to provide long-term, predictable support. **Connecticut** (SB 1, 2025) established the Early Childhood Education Endowment Fund, seeding it with $300 million in excess general fund revenue. The fund will receive additional contributions from future budget surpluses, and the legislation directs the state treasurer to distribute 10% to 12%

of the fund annually to its Department of Early Education to expand access to affordable early education programs for families.

Similarly, **Montana** (HB 924, 2025) created a special revenue account funded by 20% of annual earnings from the Montana Growth and Opportunity Trust, capped at $10 million a year. These funds are dedicated to strengthening Montana's early childhood workforce, improving childcare quality and expanding access to affordable childcare. **New Mexico** (HB 83, 2020) formed an endowment-based Early Childhood Education and Care Fund, which uses oil and gas revenues and mineral leasing payments to support early childhood programs statewide and provides most of the funding for the state's voluntary universal childcare system.

States are also pursuing other innovative financing mechanisms to support early childhood systems. In **Rhode Island** (HB 7171, 2020), legislators referred—and voters approved—authorizing up to $15 million in bond funding to renovate licensed early care and education facilities through the Early Childhood Care and Education Capital Fund. **Vermont** (HB 217, 2023) levied a 0.44% payroll tax to fund new investments in childcare. **Louisiana** (SB 142, 2021) dedicates 2% of sports-betting revenue, up to $20 million annually, to its Early Childhood Education Fund. **Arizona** levies a tax on tobacco products and directs revenue into its Early Childhood Development and Education Fund to support childcare, early learning and child development services.

6d: Pursue Local Financing Strategies.

Harness local financing mechanisms to sustain or expand childcare access, infrastructure and quality.

OPPORTUNITIES AND EXAMPLES

Local governments often play an important role in financing childcare and early childhood services. In **Colorado,** (HB 1052, 2019) legislation authorized voters to establish special districts that can levy local taxes to support early childhood services. Building on this authority, three Colorado counties approved a 0.25% sales tax increase to fund early childhood initiatives.

Other states are using local tax policy to reduce operating costs for small providers. **Maryland** (HB 389, 2025) created a property tax exemption for residents who operate licensed home-based childcare businesses. **Louisiana's** (HB 584, 2017) Early Childhood Education Fund offers a dollar-for-dollar, state-local match for projects that expand access to quality-rated childcare for children from birth to age 3.

6e: Forge Public-Private Partnerships with Business and Philanthropy.

Mobilize partnerships with business and philanthropic organizations to spark innovation and investment in a sustainable childcare system that is integrated within a comprehensive early childhood system.

OPPORTUNITIES AND EXAMPLES

Public-private partnerships are emerging as a promising childcare financing strategy through cost-sharing models that divide the cost of care among participating employees (i.e., parents), employers and the state. **Michigan** launched the first statewide cost-sharing model in 2021 through its Tri-Share Program. Through Tri-Share, participating employees, their employers and the state each contribute an equal share of licensed childcare costs. Participation is voluntary for both employers and employees. **Ohio** (HB 96, 2025) adopted a similar voluntary model, with employees and employers each covering 40% of childcare costs and the state contributing the remaining 20%. Eligibility is limited to employers operating in Ohio and employees earning less than 400% of the federal poverty level. **Virginia** (HB 18, 2026) has taken a more flexible approach, placing no minimum or maximum contribution requirements on employers while encouraging administrators to prioritize proposals that match funds from small businesses.

Philanthropy also plays a complementary role in improving access to affordable high-quality childcare. Public and philanthropic investments serve distinct but reinforcing functions, and strategic coordination of the two can maximize impact. Public funding is typically best suited to sustain core functions—such as ongoing subsidies, facility operations, workforce compensation and compliance with health and safety standards—because it provides the scale, predictability and accountability required for long-term system stability. Philanthropic funding, by contrast, is often more flexible and can be deployed strategically to catalyze innovation, pilot new service delivery models, support planning and data infrastructure, or bridge gaps where public funding is constrained. When used together, philanthropic dollars can reduce risk and inform policy design, while public funding can institutionalize and scale proven approaches.

Several states illustrate how these partnerships operate in practice. Multiple private and corporate foundations support the work of First Children's Finance to address childcare supply and sustainability in eight rural states. In **Oregon**, the Oregon Community Foundation has funded a Shared Services Alliance since 2019, enabling providers to share resources and streamlining business operations. The **New Hampshire** Charitable Foundation provides grants to local organizations to expand childcare access for families. In addition, eight foundations formed the Investing in America Child Care Partnership across four states, leveraging philanthropic and federal funds to expand childcare supply.

ECE and Early Childhood Systems

Early care and education is a system of age-appropriate care, learning and developmental experiences for young children's growth and well-being. Common age frameworks—such as prenatal-to-3 and birth-to-5—reflect the importance of ECE during the earliest years of life. Early care and education occurs wherever children are, including at home, in out-of-home settings, and across formal and informal environments. Examples of formal, out-of-home settings include childcare, preschool, before- and after-school programs and summer programs.

Early childhood system is an umbrella term encompassing a wide range of programs, services and supports available to families to promote the healthy development and well-being of young children. This system includes, but is not limited to, ECE, healthcare, nutrition, family support, housing, early intervention, and other services that contribute to positive outcomes for children.

Recommendation 7: Elevate State Early Childhood Governance and Leadership

Effective governance and leadership are critical to transform policy, practices and investments to build and sustain an early care and education system that meets the needs of children, families, employers and the childcare workforce.

Early childhood governance refers to how states and other jurisdictions organize, oversee and coordinate programs and services for families with young children—typically from the prenatal period to age 5. Governance structures determine who makes decisions, how accountability is maintained across systems, how funding flows and how programs are aligned to function as a coherent whole.

Because early childhood spans multiple policy domains and historically has been administered across multiple agencies, governance is complex and often siloed. Responsibility for programs and funding is generally administered among agencies overseeing human services, child welfare, education, health and workforce development. In varying configurations, these agencies administer childcare subsidies and licensing, Head Start, preschool, prekindergarten, special education, home visiting, child welfare services, mental and behavioral health supports, Medicaid, Early Intervention, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), and related early childhood initiatives.

A scan by the Prenatal-to-3 Policy Impact Center found that states offer an average of 17 distinct early childhood programs and services, and in nearly half of states, early childhood programs are administered across three or four departments. As a result, families and childcare providers must often navigate multiple systems with different eligibility rules, applications, and reporting requirements.

Governance models are beginning to evolve. States are increasingly reassessing how early care and education systems are organized and led, with a focus on improving coordination, clarifying authority, and aligning policy and funding. As of 2025, 13 states—Alabama, Colorado, Connecticut, Georgia, Illinois, Kansas, Massachusetts, Michigan, Minnesota, New Mexico, Ohio, Oregon and Washington—have consolidated early childhood programs into standalone departments or agencies dedicated exclusively to early childhood. These structures are intended to reduce fragmentation and enable more strategic, system-level planning.

At the core of effective governance are leaders with the authority and capacity to coordinate across agencies, take a long-term view of system sustainability and outcomes, and engage stakeholders from capitols to communities. Leadership—who leads, how they lead and what authority they have over budgets, policy development and staffing—is as important as formal organizational structure. Leaders within early childhood agencies, divisions and offices influence whether programs operate as a coordinated system or as a collection of disconnected services. They also shape policy priorities, political dynamics and the nature of collaboration between legislatures, governor's offices and state agencies.

RATIONALE FOR ACTION

Legislative efforts to move from fragmented programs toward cohesive early childhood systems—often with cabinet-level leadership—are gaining momentum in red, blue and purple states alike. Across political lines, legislators are finding common ground around shared goals: improving the experience of families, strengthening legislative oversight and accountability, reducing administrative complexity, streamlining data collection and reporting, and optimizing use of multiple state and federal funding. These are objectives that incremental reforms and market-based approaches alone have not achieved. While there are no quick fixes or one-size-fits-all solutions, states are increasingly recognizing that sustained, system-level change is necessary to meet the moment.

7a: Ensure Clear Authority and Accountability.

Establish a governance structure anchored by a clearly designated lead agency or coordinating authority with responsibility for advancing child, family and workforce outcomes through strong system supports and sound fiscal stewardship.

OPPORTUNITIES AND EXAMPLES

Changing early care and education governance structures is gaining traction as a strategy to strengthen systemwide accountability and resilience. States are increasingly recognizing that a clearly identified lead agency or coordinating authority to formalize interagency collaboration, align goals and reduce program and funding siloes can deliver meaningful improvements.

Several states have enacted structural reforms to consolidate authority and improve coordination. **Kansas** (HB 2045, 2025) unified its Children's Cabinet with 20 other programs and created the Office of Early Childhood to streamline access to high-quality early care and education and create clearer, more coordinated pathways for families and early childhood professionals. In response to a report from the Illinois Commission on Equitable Early Childhood Education and Care Funding, **Illinois** (SB 1, 2024) established a cabinet-level Department of Early Childhood, consolidating oversight and funding for preschool, childcare, home visiting and early intervention programs under a single agency.

Resource Highlights

Where can I find examples and analysis of governance and leadership models currently in use?

The Prenatal-to-3 Policy Impact Center's State Governance Structures tool breaks down and compares how early childhood programs are governed in the 50 states and Washington, D.C.

The Education Commission of the States also provides a 50-state comparison of state early care and education governance structures and categorizes them as created, consolidated or coordinated. At the time of publication, 11 states had created an agency to oversee more than one early care and education program, 14 states and Washington, D.C. had consolidated agencies or programs into one entity, and 25 states coordinated programs and services across multiple agencies.

The federal Child Care Technical Assistance Network offers a guide for state agency administrators, staff and partners on how to apply a systems approach to early childhood governance. The chapter offers practical guidance, examples and links to additional resources.

Other states have taken different approaches to strengthen leadership while maintaining agency structures. **Arkansas** (SB 294, 2023) established an Office of Early Childhood within its Department of Education, assigning responsibility for oversight of the state's preschool and childcare programs. The **Texas** (HB 117, 2025) legislature created a governor's task force to examine governance and operational challenges across its early childhood education system. The task force is charged with reviewing the functions of the Health and Human Services Commission, Texas Education Agency and Texas Workforce Commission, with a focus on improving efficiency, clarifying authority and streamlining oversight.

States are also strengthening fiscal oversight and accountability of subsidized childcare programs. **Utah** operates an Eligibility Services Division with two specialized units: a Program Review Unit conducts rapid case reviews prior to benefit issuance, and a Quality Control Unit performs more comprehensive, longer-term audits. **Nevada** uses a layered review process to reduce errors and promote fiscal integrity, requiring childcare reimbursements requests to be reviewed at three levels before a payment is authorized: by the local Child Care Resource and Referral Network, the state Child Care Development Program and the fiscal unit within the Nevada Department of Human Services.

7b: Plan for and Measure Performance.

Establish a systemwide framework to measure performance, assess outcomes and ensure accountability for public investments in early childhood programs.

OPPORTUNITIES AND EXAMPLES

Clearly defined outcomes, integrated data systems and continuous improvement processes are essential to determining whether early childhood investments are achieving their intended results. To support informed decision-making and systemwide improvement, states are taking steps to strengthen data collection, analysis and performance management. **Florida** created the Sunshine Portal, an integrated early childhood data system that brings together health, education, financial and social support data to provide a more complete picture of child and family outcomes. In **Oklahoma**, the Partnership for School Readiness collects and analyzes data and produces profiles for each of the state's 77 counties, as well as statewide reports, enabling more targeted and responsive policymaking.

Other states are pairing integrated data systems with formal planning and accountability frameworks. **New Jersey's** Enterprise Analysis System for Early Learning (NJ-EASEL), managed by the state's Office of Information Technology, integrates data from multiple state agencies to provide a comprehensive, cross-system view of early childhood performance. **Oregon** adopted its first Raise Up Oregon plan in 2023, outlining priority goals over a two-year period and embedding continuous improvement into the state's early childhood efforts. The state's Early Learning Council reviews the plan annually to assess progress and guide adjustments.

Childcare and Tribal Communities

Tribal communities often face additional childcare challenges. These challenges are shaped, in part, by issues related to national sovereignty, geographic isolation, extreme poverty and the duality of meeting standard regulatory and quality requirements, while also embedding native culture, language and community practices into the care provided.

Federally recognized tribes are eligible for federal childcare funding. To receive federal funding, tribal lead agencies must submit plans to the Tribal Child Care and Development Fund explaining how services will be administered and eligible families will be supported. The Office of Child Care publishes tribal Child Care and Development Fund allocations by state. Some states also supplement federal investments by providing funding or partnering with tribes to support childcare services, although the level and structure of state involvement vary widely across jurisdictions.

7c: Integrate Disaster and Emergency Preparedness into State Early Childhood Governance Systems.

Embed emergency management into state early childhood governance and infrastructure to ensure the childcare system can prepare for, respond to and recover from natural disasters and other emergencies.

OPPORTUNITIES AND EXAMPLES

Extreme floods, hurricanes, wildfires and the COVID-19 pandemic have prompted states to more intentionally embed emergency preparedness into their early childhood governance and infrastructure. In **New York**, the Office of Children and Family Services participates in the New York State Disaster Preparedness Commission, which coordinates government services before, during and after emergencies to ensure continuity of care for children and families. **Indiana's** Office of Early Childhood and Out-of-School Learning has developed a comprehensive disaster plan that clearly defines agency roles and responsibilities in the event of emergencies or disaster.

Other states have focused on strengthening preparedness at the program level and improving real-time communication. **Minnesota** (HB 2 a, 2025) requires licensed childcare centers to develop and annually update a written emergency plan. **North Carolina** established an online portal that allows childcare providers to report their operational status during emergencies, enabling states to assess needs, coordinate responses and target distribution of emergency assistance.

7d: Partner with Stakeholders and Local Early Childhood Systems.

Engage with families, school boards, local governments, planning councils, economic development agencies, tribes and business and community leaders to align strategies, policies and funding across state and local early childhood systems.

OPPORTUNITIES AND EXAMPLES

Several states have established strong state–local partnership models to align early childhood strategies with community need. **California's** First Five California, a statewide agency created by a voter initiative, distributes tobacco tax revenues through county commissions to fund local services and systems supporting children from birth-to-5 and their families.

Colorado has created a statewide network of 35 Early Childhood Councils serving all 64 counties. These locally led councils, in partnership with the Colorado Department of Early Childhood, function as regional hubs of support for childcare and universal prekindergarten implementation. The councils support the field through scholarships for early educators pursuing formal education, small-business grants to start-up childcare programs, and professional and program development services.

In **Louisiana**, Ready Start Networks operate as regional, community-based coalitions that bring together early childhood stakeholders, including schools, providers, health systems and local leaders, to plan, coordinate and improve services for young children.

Childcare Terminology

What is Childcare?

For the purposes of this report, childcare refers to the care, supervision and support of one or more children by an individual or individuals other than a child's parent or legal guardian. Childcare arrangements may be **licensed or unlicensed**, **formal or informal**, and can be provided during **standard or nontraditional hours**, including overnight or aroundtheclock care.

Two Primary Types of Childcare

Licensed childcare programs operate in facilities or homes that meet regulatory requirements established by a state and/or local licensing authority. These regulations typically address health and safety standards, stafftochild ratios, group sizes, background checks and program practices.

Unlicensed childcare is not registered and/or licensed with a state. It does not necessarily mean it is illegal or unregulated, as some providers may be legally exempt from licensing based on specific circumstances.

Licensed Childcare Program Types

Center-Based Childcare provides formal care for young children in a nonresidential setting. These programs typically operate during traditional office hours and may serve children ranging in age from as young as 6 weeks to as old as 5 years. Centers are licensed by state and local authorities and are subject requirements related to health and safety, staff-to-child ratios, group sizes, nutrition, program standards and ongoing inspections.

Home-based Childcare is formal care for a small number of children in a caregiver's home. Home-based childcare can be licensed or license-exempt, depending on state or territorial regulations. These providers often offer more flexible schedules (e.g., evening, weekend and overnight care) than center-based providers. When licensed, home-based providers must meet health, safety and programmatic standards like those required of center-based providers, with adjustments appropriate for a home-based setting.

On-Site and Near-Site Childcare is provided in locations where parents work or spend significant time. Examples include employer-sponsored childcare and childcare in or near college campuses, hospitals, recreation centers and courthouses**.** These programs are typically licensed and operate under the same regulatory standards as other centerbased care.

Unlicensed and Informal Care Arrangements

License-Exempt Childcare is legally operated care that is exempt from licensing requirements based on factors such as the number of children served, hours of care or relationship to the child. To receive public childcare subsidies, license-exempt providers may still be required to meet certain conditions, such as background checks and health and safety training.

Family, Friend and Neighbor Care is informal childcare provided by relatives, friends or neighbors, typically in the child's home or the caregiver's home. It often offers flexibility, cultural continuity and trust, and is widely used by families when licensed childcare options are unavailable, unaffordable or do not meet families' needs.

Federally Funded Early Childhood Programs

Head Start is a federally funded, community-based program serving children ages 3 to 5 from low-income families, generally at or below 100% of the federal poverty level. Head Start provides comprehensive services, including early childhood education, healthcare, nutrition, social-emotional learning and parent engagement.

Early Head Start serves pregnant women and families with infants and toddlers birth to age 3. Modeled after Head Start, the program offers prenatal support, developmental screening and early intervention services, home visiting and licensed childcare for infants and toddlers.

Preschool and Prekindergarten

For older children, preschool and prekindergarten are often used interchangeably, though they refer to slightly different types of programs.

Preschool generally serves children ages 2½ to 4½ and can be offered in a range of settings, including private childcare centers, family childcare homes and school-based programs.

Prekindergarten typically serves children ages 4 to 5 and places stronger emphasis on kindergarten readiness, including early literacy, numeracy, and the development of social relationships and emotional skills. These programs are often publicly funded and operated through school districts or community-based programs.

Transitional kindergarten is a free public school program for 4-year-olds that bridges preschool and kindergarten. Transitional kindergarten uses age-appropriate instruction to help children—especially those close to the kindergarten-entry age cutoff—develop academic, relational and self-regulatory skills for a smoother transition into kindergarten.

Out-of-School Time Programs

Out-of-school time programs include before- and after-school care and summer programs. These supports are an extension of the childcare system and offer working families safe, enriching environments for their children. Although often administered separately, these programs face many of the same challenges related to access, affordability, workforce, quality, licensing and financing. Some states are addressing these challenges by strengthening coordination through cross-sector professional development, childcare assistance policies that cover before- and after-school care and summer programs, and statewide afterschool networks that connect childcare providers with schools, workforce development programs and human services agencies.

Members of NCSL's State Childcare Policy Work Group at the Hotel Monteleone in New Orleans. Back row, from left: Maryland Del. Aletheia McCaskill, New Mexico Sen. Linda Trujillo, Rhode Island Rep. Mary Ann Shallcross Smith, Kentucky Rep. Samara Heavrin, South Dakota Sen. Tim Reed, North Carolina Sen. Jim Burgin, Iowa Rep. Michael Bergan, New York Sen. Jabari Brisport and Louisiana Sen. Beth Mizell. Front row, from left: Georgia Rep. Katie Dempsey, Washington Sen. Claire Wilson and Colorado Rep. Emily Sirota. Not pictured: Illinois Rep. Joyce Mason. (NCSL photo).

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Sen. Jabari Brisport, New York

Sen. Jim Burgin, North Carolina

Rep. Katie Dempsey, Georgia

Rep. Samara Heavrin, Kentucky

Rep. Joyce Mason, Illinois

Del. Aletheia McCaskill, Maryland

Sen. Beth Mizell, Louisiana

Sen. Tim Reed, South Dakota

Rep. Mary Ann Shallcross Smith, Rhode Island

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