

**AN UNEVEN START:**



**2025 State Funding  
for Child Care &  
Early Learning**



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## ABOUT CHILD CARE AWARE<sup>®</sup> OF AMERICA:

Child Care Aware<sup>®</sup> of America (CCAoA) is the only national organization that supports every part of the child care system. Together with an on-the-ground network of child care resource and referral organizations working in states and communities, CCAoA provides research that drives effective practice and policy, builds strong child care programs and professionals, helps families find and afford quality child care, delivers solutions leadership to the military and direct service to its families, and provides a real-world understanding of what works and what doesn't to spur policymakers into action and help them build solutions. Together we make America child care strong—and that makes everyone stronger. **Learn more at [www.ChildCareAware.org](http://www.ChildCareAware.org)**

# Executive Summary

Quality child care is essential to our nation's well-being, allowing parents to work and children to thrive. Yet America has a fragmented child care system that is holding us back and hurting everyone. Families struggle to find and afford quality child care, the child care workforce cannot afford to stay in the field, child care programs operate on razor thin margins, employers are losing billions of dollars in productivity, and the military has determined that the child care crisis is impacting mission readiness.

participate in the workforce. Businesses benefit, as parents' productivity increases when they have reliable child care for their children. Given these impacts, child care also benefits the economy. And quality child care benefits children, with positive impacts on multiple aspects of development.

Since child care benefits accrue not only to children and families, but also to businesses and the broader economy, state and local governments and businesses, as well as families, all have a role to play in supporting

***Solving our nation's child care challenges will take targeted and sustained action at the federal, state, and community levels. Families, businesses, and public investment all have a role to play in ensuring families have a full array of quality, affordable choices when they need child care.***

Solving our nation's child care challenges will take targeted and sustained action at the federal, state, and community levels. Families, businesses, and public investment all have a role to play in ensuring families have a full array of quality, affordable choices when they need child care. This report takes a close look at how states are investing in child care and finds they are falling short—missing opportunities for their children and families to flourish and economies to grow.

Research demonstrates that accessible, affordable, quality child care has significant benefits for parents, children, businesses, and the economy. Child care allows parents, particularly mothers of young children, to

child care. More research is needed to determine the true cost of quality care, and what families can afford to pay. This report is part of a bigger series of reports that CCAoA is producing to help determine how much child care is needed, at what cost, and what share each stakeholder should pay.

CCAoA conducted a study of Fiscal Year (FY) 2025 state child care and preschool funding, focusing on investments from state general funds above federally required matching and maintenance of effort (MOE) funds. Respondents included 42 states and Washington, DC, and came from experts at state finance and budget divisions and at state policy and budget organizations.

# Here is What We Learned:

- 1 States are coming up short for young children.** State funding for child care and/or preschool in FY 2025 averages about \$1,300 per child birth to age 5 across states who responded. While total state investments in child care or preschool vary widely from state to state, the highest per child state child care and/or preschool investment in FY 2025 (Massachusetts, \$4,600) is about the same as the lowest per child state K-12 investment in FY 2023 (Nebraska, \$4,200). This underspending on children ages birth to 5 is problematic, as research shows that investments in early childhood, a period of rapid brain development, have the highest rate of return.<sup>1</sup>
- 2 Children, families, and communities across America are not on an even playing field when it comes to state child care funding.** Looking at total state investments in child care and preschool in FY 2025 (including federally required matching and maintenance of effort funds) states are investing less than \$500 per child under age 5 to more than \$4,600 per child. The District of Columbia is an outlier, investing over \$8,000 per child. Six states (Idaho, Indiana, Nevada, Ohio, Wisconsin, and Wyoming) fail to invest in child care beyond what is required to draw down federal dollars.
- 3 Fragmented governance and funding streams make tracking and reporting state child care and preschool funding challenging—reducing transparency and accountability.** Funding for child care and preschool can be spread across multiple state agencies or departments. Further, states often blend and layer funding from state and federal sources to piece together their child care systems. This complexity makes it difficult to describe funding and programs simply and advocate for increased investment.
- 4 States are creatively investing in demand-side** (direct support for families needing help in offsetting the high cost of child care) **and supply-side** (improving child care supply, stability, and quality) **strategies, but more progress is needed.** As pandemic relief funding has ended, more states have stepped up and increased funding for investments in strategies to increase teacher wages, stabilize child care businesses, support more families with help offsetting the high cost of child care, and more.<sup>2</sup>

# RECOMMENDATIONS

- ✓ **Increase investments in child care.** This study revealed that state investment in child care and preschool is highly variable. Research has shown that overall spending on children under age 5 is low relative to K-12 per child spending.<sup>3</sup> But with pandemic relief funding ending, more states have increased support for early learning. Now every state needs to continue or begin to make progress in investing in child care.
- ✓ **Increase transparency of investments in child care and preschool.** Streamline tracking investments across agencies and funding streams so stakeholders can easily understand the current funding environment and work toward improvements. The detailed profiles of each state’s funding landscape provided in this report offer a foundation for these crucial efforts.
- ✓ **Consider restructuring or, at a minimum, increase coordination across agencies/ departments administering child care and preschool programs and funding.** Streamlining child care and preschool governance structures can improve clarity and increase efficiency to better serve children and families.



# Introduction

In recent years, policymakers have become increasingly aware of the necessity of affordable, high-quality child care for working families and the dire consequences for the national and state economies when parents are unable to find or afford it.<sup>4</sup> The average annual cost of child care for one child is nearly \$12,000—10% of a married couple’s median income. The cost of center-based

average early childhood educator in the U.S. makes less than \$14 per hour, often without benefits.<sup>7</sup> This situation negatively impacts not only families, but the economy, with one study showing that the lack of affordable care for infants and toddlers alone costs the United States \$122 billion in lost earnings, productivity, and revenue every year.<sup>8</sup>

***From 2016 to 2020 (the most recent data available) seven states (HI, ID, KS, NH, NC, PA, TN) failed to meet their CCDF match at least once, and Kansas failed all five years, leaving federal money on the table that could have supported families, child care providers, and communities in their states.***

care for two children exceeds average annual rent payments by 25% to more than 100%.<sup>5</sup> Many American families simply cannot afford child care, too often forcing working parents—particularly mothers—to reduce hours or drop out of the workforce entirely to care for their children. In addition, America’s current child care subsidy program only supports a fraction of eligible families.<sup>6</sup> At the same time, child care is a labor-intensive business, which requires many well-trained adults to ensure very young children are safe, nurtured, and learning. But despite this need for skilled labor, the

Funding for child care flows from several sources at the federal level. There are annual discretionary funds authorized by the Child Care and Development Block Grant Act (CCDBG) and mandatory funds from the Social Security Act, known as the Child Care Entitlement to States (CCES). Combined, these funds are referred to as the Child Care and Development Fund (CCDF). In addition, states can transfer a portion of their Temporary Assistance for Needy Families (TANF) funds to CCDBG.

CCDBG is the main federal law that governs child care programs, authorizing grants to state, territorial, and tribal lead



agencies.<sup>9</sup> Lead agencies in turn use these funds to support child care by investing in the child care system and providing subsidies to qualifying families earning up to 85% of State Median Income (SMI); this process is designed to provide families with funding to offset the high price of child care.

All states receive some mandatory CCES funds every year. But, to receive a portion of their CCES funds, states must meet maintenance of effort (MOE) and matching requirements by contributing state funds to their child care program. From 2016 to 2020 (the most recent available), seven states (HI, ID, KS, NH, NC, PA, TN) failed to meet their CCDF match at least once, and Kansas failed all five years, leaving federal money on the table that could have supported families, child care providers, and communities in their states.<sup>10</sup> Annual discretionary funds do not have a state match requirement, but the funding usually stipulates that the federal CCDBG funds are to supplement and not supplant state spending on child care.

To augment funding for their child care programs, some states invest additional funds beyond the required federal match and MOE. The state profiles in this report describe the additional state spending beyond the federal requirements. In addition—given that many states have a mixed delivery preschool system, in which preschool programs can be delivered in child care centers and family child care homes—this analysis also includes state funding for preschool.

Solving our nation’s child care challenges will take targeted and sustained action at the federal, state, and community levels. Families, businesses, and public investment all have a role to play in ensuring families have a full array of quality, affordable choices when they need child care. The goal of this study is to put a spotlight on the child care funding landscape at the state level—including variations in investments across states—and to offer a foundation for advocacy for increased investments and future policy development.

# Summary of Findings

For details on the study's methodology, please see the Appendix: Study Methods.

The current study yielded responses from 42 states and Washington, DC.<sup>11</sup> The respondents were predominantly staff from various state government entities (Budget or Governor's Offices; Departments of Education, Health and Human Services, or Early Childhood; state legislatures), or non-profit advocacy organizations.

The study team faced several challenges in collecting the data. For some states,

FY 2025 data was not yet available; as a result, respondents reported FY 2024 investments, which is noted where relevant in the state profile. Some states have biennial budgets and do not specify the specific appropriation amount for each year; cases in which this occurred are also noted in the state profiles. Responses were often nuanced, reflecting the complexity of the funding landscape in many states.

Despite these challenges, several key findings emerged across the states:

## FINDING #1

States are coming up short for young children. State funding for child care and/or preschool in FY 2025 averages about \$1,300 per child birth to age 5. While total state investments in child care or preschool vary widely from state to state, the highest per child state child care and/or preschool investment in FY 2025 (Massachusetts, \$4,600) is about the same as the lowest per child state K-12 investment in FY 2023 (Nebraska \$4,200).<sup>12</sup>

Previous research has documented that public spending on children under age 5 is substantially less than that for school-aged children. For example, in 2024, research

***The highest per child state child care and/or preschool investment in FY 2025 (Massachusetts, \$4,600) is about the same as the lowest per child state K-12 investment in FY 2023 (Nebraska \$4,200).***

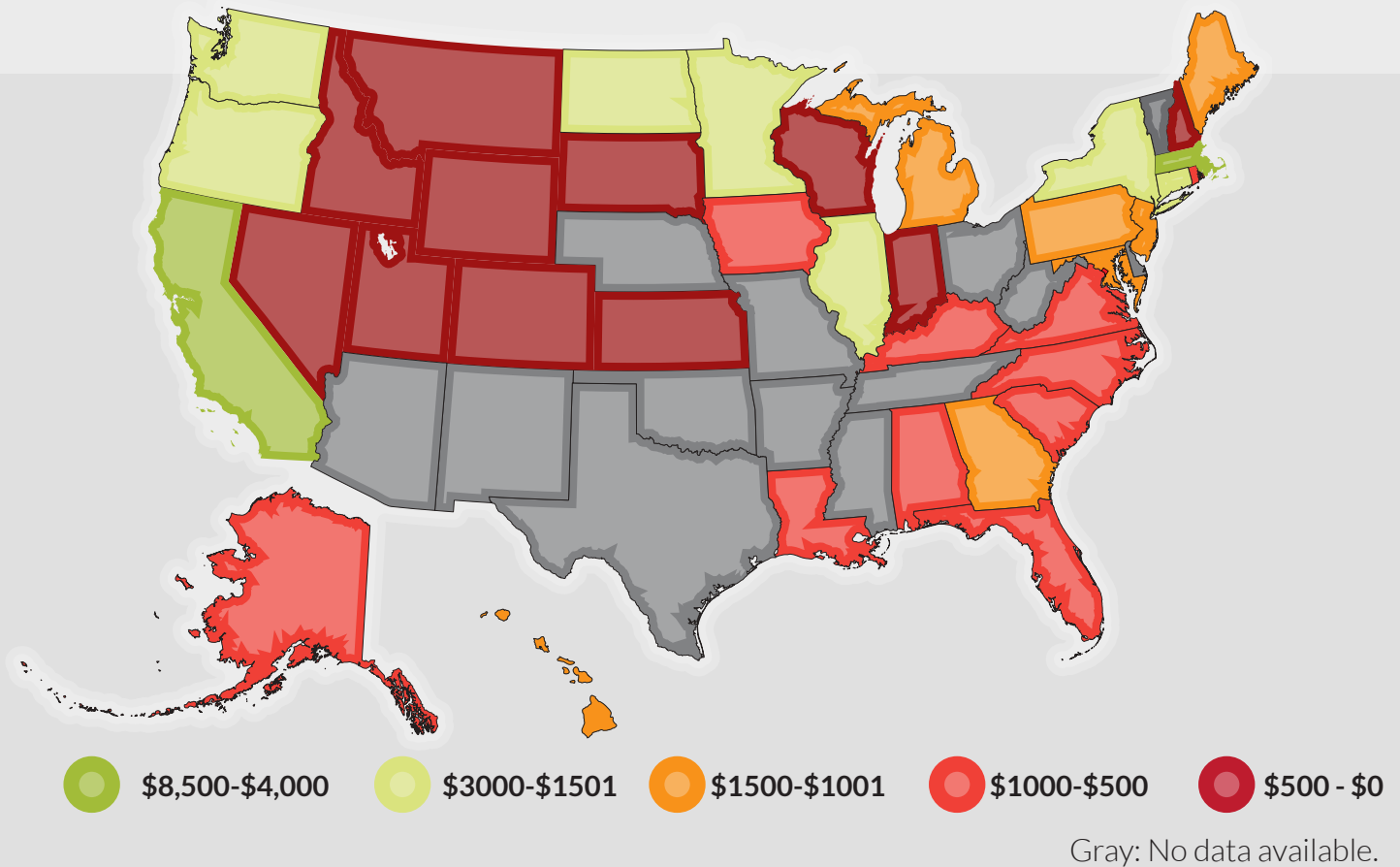
examining federal, state, and local spending found that the United States invests 85% less on education programs for children under age 5, compared with school-aged children.<sup>13</sup> Due to data limitations (data on K-12 spending includes early education in many states),



this study was not able to include a state-by-state early childhood education vs. K-12 annual spending comparison. However, available data indicated that some states that invest heavily in early education still fall short in comparison to their K-12 spending. For example, California spends about \$4,000 per child on early education, compared to over \$11,000 for K-12. Similarly, Connecticut spends over \$9,000 per child in K-12 versus about \$2,000 on early education.<sup>14</sup> This underspending on children ages birth to 5 is problematic, as research shows that investments in early childhood, a period of rapid brain development, have the highest rate of return.<sup>15</sup>

Not every family with young children will use a formal care setting or need direct help paying for child care, and families often move in and out of different types of arrangements—for example, using family care for their infants, a part-time program when possible, and full-time care when work requires it. Yet every community needs a stable, adequate supply of quality child care for families when they need it.

### Total State Investments in Child Care and Preschool, Per Child



Note: The per child calculation was done only for the 38 states with complete data (i.e., on both child care and preschool state general fund investments).

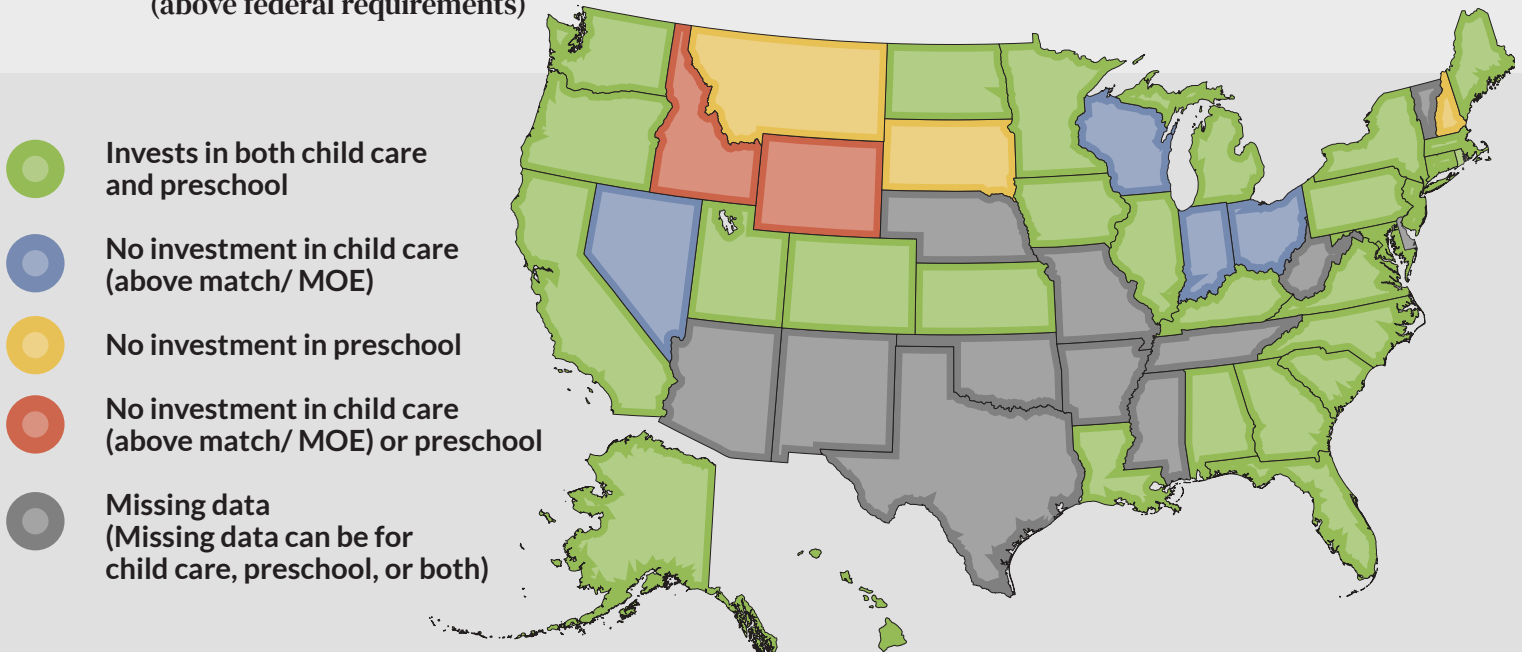
## FINDING #2

Children, families, and communities across America are not on an even playing field when it comes to state child care funding beyond federal requirements. Looking at total state investments in child care and preschool in FY 2025 (state general funds plus expected federal match and MOE, among the states who responded), funding ranged from less than \$500 per child to more than \$4,600 per child. Washington, DC was an outlier, investing over \$8,000 per child. Findings indicated that six states (Idaho, Indiana, Nevada, Ohio, Wisconsin, Wyoming) allocate **no** child care funds beyond required federal matches and MOE, while other states make modest to substantial investments.

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Similar discrepancies exist in preschool funding across states, with five states making no investment (Idaho, Montana, New Hampshire, South Dakota, Wyoming). Nevada, Ohio, and Wisconsin invest in preschool, but not child care (beyond the federal match and MOE). Idaho and Wyoming make no investment in either preschool or child care (beyond the match or MOE).

### State Investments in Child Care or Preschool (above federal requirements)



## FINDING #3

### **Fragmented governance and funding streams make tracking and reporting state child care and preschool funding challenging—reducing transparency and accountability.**

While some states have comprehensive departments of early childhood or early childhood education, in most states funding for child care and preschool is spread across multiple state agencies or departments such as Health and Human Services, Education, or Social Services.<sup>16</sup> This fragmentation makes tracking spending complicated, as funds for child care or preschool sit in different department budgets. Even within a specific department, child care or preschool funds are often spread across different budget lines which can further muddy the waters.

***Some states were able to report on their child care and preschool funding easily; however, these tended to be states that did not invest beyond the required federal match or MOE, or that made minimal investments.***

In addition, states often blend funding, combining multiple funding streams into a general pool for child care and preschool. States can also braid funding, layering various funding streams while still tracking and reporting spending from each source. While such creative financing is often necessary to fund child care and preschool programs, this approach can make it challenging to determine how funds are allocated to different programs (child care versus preschool) and populations (e.g., birth to 3 versus 3- and 4-year-olds). For example, in multiple states funds are allocated to programs serving both child care and preschool populations, and it is often difficult to differentiate how those funds are distributed.

As a result of this complexity, it is difficult for many states to track and report on their child care and preschool investments. Data collection for this study often required outreach to staff at multiple state departments or agencies (e.g., Health and Human Services, Education, etc.) to obtain a comprehensive picture of state investments. Many states required considerable effort to decipher state budgets and disentangle various funding streams. In several instances, study staff had to meet with state respondents and walk through budgets together to obtain the necessary information. Some states were able to report on their child care and preschool funding easily; however, these tended to be states that did not invest beyond the required federal match or MOE, or that made minimal investments.

In addition, some states had current (FY 2025) funding information available, while others' most recent data was from FY 2024. Most (46) states' fiscal years run from July 1 to June 30 of the following year, however there are some outliers: New York (April 1-March 31); Texas (September 1-August 31); and Alabama and Michigan (October 1-September 30).<sup>17</sup>

## FINDING #4

**States are creatively investing in *demand-side*** (direct support for families needing help offsetting the high cost of child care) **and *supply-side*** (improving child care supply, stability, and quality) **strategies, but more progress is needed.**

As pandemic relief funding has ended, more states have stepped up and increased funding for investments in strategies to increase teacher wages, stabilize child care businesses, support more families with help offsetting the high cost of child care, and more.<sup>18</sup>

## RECOMMENDATIONS

- ✓ Increase investments in child care. This study revealed that state investment in child care and preschool is highly variable. Research has shown that overall spending on children under age 5 is low relative to K-12 per child spending.<sup>19</sup> But with pandemic relief funding ending, more states have increased support for early learning. Now every state needs to continue or begin to make progress in investing in child care.
- ✓ Increase transparency of investments in child care and preschool. Streamline tracking investments across agencies and funding streams so stakeholders can easily understand the current funding environment and work toward improvements. The detailed profiles of each state's funding landscape provided in this report offer a foundation for these crucial efforts.
- ✓ Consider restructuring or at a minimum increase coordination across agencies/ departments administering child care and preschool programs and funding. Streamlining child care and preschool governance structures can improve clarity and increase efficiency to better serve children and families.

## CONCLUSION

Research demonstrates that accessible, affordable, quality child care has significant benefits for parents, children, businesses, and the economy. Child care allows parents, particularly mothers of young children, to participate in the workforce. Businesses benefit, as parents' productivity increases when they have reliable child care for their children. Given these impacts, child care also benefits the economy. And quality child care benefits children, with positive impacts on multiple aspects of development. Since child care benefits accrue not only to children and families, but also to businesses and the broader economy, state and local governments and businesses, as well as families, all have a role to play in supporting child care.

Public investment in early education falls far short of the need but it doesn't have to be that way. Poll after poll show that

Americans understand that child care impacts all of us, and our current system isn't working well for anyone. There is broad, bipartisan support for increased public investment in child care.<sup>20</sup>

This study shows that states must do more—alongside families, businesses, communities, and the federal government—to solve our nation's child care crisis so that families, children, our communities, and our economy can flourish. The detailed profiles of each state's funding landscape below provide a foundation for advocacy and future policy development.

More research is needed to determine the true cost of quality care, and what families can afford to pay. This report is part of a bigger series of reports that CCAoA is producing to help determine how much child care is needed, at what cost, and what share each stakeholder should pay.

*Together we can make America child care strong—and that makes everyone stronger.*



# STATE PROFILES

In each profile, the state funding listed refers to investments from state general funds for child care and preschool, *above federal matching or maintenance of effort (MOE) funds*.

The profiles focus on funding for child care and preschool only. The study did not include programs related to special education, home visiting, mental health, maternal health, nutrition, etc. While

these programs are essential, they are beyond the scope of the current project.

Data were reported for each state's fiscal year (FY). As noted above, most (46) states' fiscal years run from July 1 to June 30 of the following year, however there are some outliers: New York (April 1-March 31); Texas (September 1-August 31); and Alabama and Michigan (October 1-September 30).



## Alabama

- For state FY 2025, Alabama's state budget for child care is \$215,035,328.
- For state FY 2025, Alabama's state budget for preschool (First Class Pre-K program) is \$185,448,382.



## Alaska

- For state FY 2025, Alaska's state budget for child care is \$7.5 million.
- Additionally, the state has allocated \$10.9 million for preschool programs.
  - o A detailed breakdown of the preschool budget indicates that the State of Alaska Department of Education and Early Development's Pre-Kindergarten Grant provides \$6.2 million for preschool programs.
  - o An additional \$4.7 million is allocated through the state's foundation formula funding program to support eligible school districts.



## Arizona

- No current information is available for child care or preschool.



## Arkansas

- No current information is available for child care or preschool.



## California

- For state FY 2025, California's state budget for child care is \$3,322,032,000.
  - o A detailed breakdown of the budget reveals that \$2,455,778,000 is allocated to slots. Of this amount, \$770,597,000 is directed toward CalWORKs Child Care, which specifically supports families in which parents are engaged in or have recently completed welfare-to-work activities in the state's TANF program. The remaining \$1,685,181,000 is allocated to various programs such as the Alternative Payment Program (the state's CCDBG-supported subsidy program) and the Migrant Alternative Payment Program (subsidies for migrant workers).
  - o An additional \$866,254,000 in non-slots funding is included in the state budget, covering items such as child care quality support and improvement initiatives, cost-of-care-plus rates, resource and referral services, the Child and Adult Care Food Program, local planning councils, migrant special services, TrustLine (background check registry), and the California Child Care Initiative (supports for home-based providers).
- For state FY 2025, California's state budget for preschool is \$4,910,000,000.
  - o An overview indicates that \$2,151,000,000 is allocated to the California State Preschool Program, while \$2,759,000,000 is designated for Transitional Kindergarten Funding. [Note: The Transitional Kindergarten Funding amount is based on Average Daily Attendance; the figure provided is an estimate that may vary depending on attendance throughout the fiscal year.]



## Colorado

- For state FY 2025, Colorado did not allocate any general funds specifically to its subsidy program, the Colorado Child Care Assistance Program (CCCAP) for Families. However, general funds were utilized to support a 2% funding increase across various community programs, including CCCAP, with a total allocation of \$2,004,107 for this increase.
- For state FY 2025, Colorado's state budget for preschool is \$12,855,552.
  - o A detailed breakdown of the budget indicates that \$7,233,200 is allocated to the Colorado Universal Preschool Program, \$1,952,775 is directed toward supporting the universal preschool and early childhood workforce, and \$3,669,577 is designated for the Colorado Department of Early Education's departmental operations.



## Connecticut

- For state FY 2025, Connecticut's state budget for child care is \$177,322,824.
  - o A further breakdown of the budget reveals allocations of \$112,827,096 to the CT Care 4 Kids subsidy program, \$5,954,530 to Child Care Quality Enhancements, \$1,500,000 to Early Head Start, and \$57,041,198 to the Child Day Care (CDC) program.
- For state FY 2025, Connecticut's state budget for preschool is \$141,504,367.
  - o The budget breakdown reveals that \$5,083,238 is allocated to Head Start services, while \$332,500,000 is directed to the Smart Start initiative. Furthermore, \$19,013,732 is dedicated to competitive School Readiness programs, and \$114,082,397 is earmarked for the Priority School Readiness Program.
  - o Finally, \$5,192,047 is allocated to wage supports which are distributed to both CDC and School Readiness programs.



## Delaware

- No current information is available for child care or preschool.



## District of Columbia

- For district FY 2025, the District of Columbia's budget for child care is \$63,717,347.
- For district FY 2025, District of Columbia's budget for preschool is \$244,709,818.
  - o A detailed analysis of the budget reveals that \$244,809,818 is allocated to funding Pre-Kindergarten programs (PK3 and PK4) through the DC Public Schools Uniform Per Student Funding Formula (UPSFF).





## Florida

- For state FY 2025, Florida's state budget for child care is \$155,995,939, allocated to the Florida School Readiness Program, plus an additional \$23.1 million allocated to Florida School Readiness Plus, to help families avoid the child care cliff, for a total of approximately \$179 million.
- For state FY 2025, Florida's state budget for preschool is \$438,137,258, supporting the Voluntary PreKindergarten (VPK) Education Program.



## Georgia

- For state FY 2025, Georgia's state budget for child care is \$71,882,694.
- For state FY 2025, Georgia's state budget for preschool is \$541,423,948.
  - o Further breakdown shows Georgia invested \$97,708,884 in lottery funds to reduce class sizes, expand funding for the Summer Transition Program, increase salaries for assistants and lead pre-K teachers, while working toward greater pay parity between pre-K lead teachers and K-12 teachers, and increase startup grants for new pre-K classrooms and provide replenishment grants every five years.



## Hawaii

- For state FY 2025, Hawaii's state budget for child care is \$60,628,429.
  - o Further breakdown of the budget suggests that \$2,816,618 is directed toward general support for child care and \$57,811,811 is allotted for cash support for child care (subsidies).
- For state FY 2025, Hawaii's state budget for preschool is \$13,432,073.



## Idaho

- For state FY 2025, Idaho has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2025, Idaho has no state funding for preschool.



## Illinois

- For state FY 2025, Illinois's state budget for child care is \$753,299,000.
  - o Further breakdown of the funding suggests \$14,200,000 is allotted to the Department of Early Childhood, \$617,099,000 is directed toward Child Care Services, and \$122,000,000 is allocated to Smart Start.
- For FY 2025, Illinois has appropriated \$748,138,100 for the Early Childhood Block Grant. The majority of this funding is allocated to the state-supported preschool program, with the remaining portion designated for the Prevention Initiative home-visiting programs for families with children age birth to 3. The specific funding for each program could not be determined.



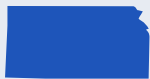
## Indiana

- For state FY 2025, Indiana invests no additional state general funds in child care outside of CCDF state match and MOE dollars.
- For state FY 2025, Indiana's state budget for preschool is \$27,436,887, for the On My Way Pre-K program.



## Iowa

- For state FY 2025, Iowa's state budget for child care is \$7 million.
- For state FY 2025, Iowa's state budget for preschool is \$91,421,500, for the Statewide Voluntary Preschool Program.



## Kansas

- For state FY 2025, Kansas's state budget for child care is \$11,056,222.
  - o Further breakdown of the budget suggests that \$1.1 million is directed toward child care, \$1,590,720 is allotted to child care licensing (aid/assistance) and \$336,000 toward child care licensing (capital outlay equipment).
  - o Additionally, Kansas allocates state general funds to support child care centers on college campuses. Fort Hays State University's Campus Daycare received \$117,626, while Wichita State University's Child Development Center was allocated \$280,000. Kansas State University's Center for Child Development was granted \$1,891,140, and the University of Kansas' Child Development Center received \$5,740,736.
- For state FY 2025, Kansas's state budget for preschool is \$29,942,880.



## Kentucky

- For state FY 2025, Kentucky's state budget for child care is \$53.25 million.
- For state FY 2025, Kentucky's state budget for preschool is \$84.5 million.



## Louisiana

- For state FY 2025, Louisiana's state budget for child care is \$78.5 million, for the Child Care Assistance Program Birth-3 (CCAP B-3) subsidy program.
- For state FY 2025, Louisiana's state budget for preschool is \$83.4 million.
  - o Further breakdown of the budget suggests, \$75.6 million is directed toward the Cecil J. Picard LA 4 Early Childhood Program (Louisiana's primary preschool program) and \$7.8 million is allotted to Nonpublic Schools Early Childhood Development Program.



## Maine

- For state FY 2025, Maine's state budget for child care is \$49 million.
  - o Further breakdown suggests \$31.2 million is used for salary supplements, \$10.2 million is directed toward the Child Care Affordability Program (subsidy program), \$2.5 million is allotted for the Child Care Employment Award (subsidies for child care educators and staff), \$3.6 million is for Head Start state-funded contracts, and \$1.5 million is directed toward the Early Childhood Consultation Partnership.
- For FY 2024, Maine's state budget for preschool was \$34,079,285.



## Maryland

- For state FY 2025, Maryland's state budget for child care is \$288,945,459.
- For state FY 2025, Maryland's state budget for preschool is \$161,500,000.



## Massachusetts

- For state FY 2025, Massachusetts' state budget for child care is \$1,305,275,368.
  - o The budget allocation suggests a significant portion, \$175 million, is designated for child care grants to providers under the Fair Share Amendment, with an additional \$15 million and \$18 million allocated to the Income Eligible Waitlist and Early Education Waitlist Reduction, respectively, through the same program. To address workforce challenges and pandemic-related impacts, \$300 million is reserved for the Early Education and Care COVID-19 Workforce and Support Reserve. Furthermore, \$20 million is allocated to Child Care Referral and Resource Centers to improve access management. Supportive child care funding (subsidies) includes \$417,188,233 for income-eligible child care and \$356,587,135 for services related to Department of Children and Families and Department of Transitional Assistance cases. Lastly, \$1 million is dedicated to the Neighborhood Villages Pilot Program, highlighting a commitment to innovative community-driven solutions.
- For state FY 2025, Massachusetts' state budget for preschool is \$22,523,127.
  - o The Commonwealth Preschool Partnership Initiative (CPPI) receives \$17,523,127. An additional \$5 million is allocated to the CPPI Pre-K Initiative under the Fair Share Amendment, supporting expanded access to quality pre-kindergarten programs.
- Further, the Massachusetts state budget includes several programs that benefit both child care and preschool populations. These include \$65 million for the Early Education and Care Reimbursement Rate Increase under the Fair Share Amendment, \$27,668,027 allocated to the Department of Early Education and Care administration, and \$52,603,764 for quality improvement and related programs. Additionally, \$18.5 million is designated for grants to Head Start programs, while \$5 million supports higher education opportunities for early education providers.



## Michigan

- For state FY 2025, Michigan's state budget for child care is \$72,910,700.
  - Further breakdown suggests that \$69,510,700 is directed toward the Child Development and Care program (subsidies) and \$3.4 million for the Tri-Share program, an innovative program in which the cost of child care is shared by the parent employee, the employer, and the state.
- For state FY 2025, Michigan's state budget for preschool is \$655,270,000, directed to the Great Start Readiness Program.



## Minnesota

- For state FY 2025, Minnesota's state budget for child care (outside of the CCDF match and MOE) is \$695,505,520
- For FY 2025 Minnesota's state budget for preschool is \$100,818,587. Further breakdown indicates:
  - Minnesota allocates 12,360 seats for Voluntary Prekindergarten (VPK) in FY 2025. Each seat that is allocated generates 60% of the revenue of a student in grades K-6. It is estimated that in FY 2025 the state will spend \$67,135,587 on prekindergarten.
  - Minnesota also funds the School Readiness Program administered by school districts for children age 3 to kindergarten entrance. For FY 2025, the state budget for the School Readiness Program is \$33,683,000.



## Mississippi

- No current information is available for child care or preschool



## Missouri

- No current information is available for child care or preschool



## Montana

- For state FY 2025, Montana's state budget for child care is \$7 million, which is used to expand child care subsidy eligibility and reduce family copays through the Best Beginnings Child Care Scholarship program.
- For state FY 2025, Montana makes no state investment in preschool.



## Nebraska

- No current information is available for child care or preschool.



## Nevada

- For state FY 2025, Nevada has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2025, Nevada's state budget for preschool is \$41,528,365.
  - o Further breakdown of funds suggests that \$24,800,875 is directed toward Nevada Ready! State Pre-K program and \$16,727,490 to the Early Childhood Literacy and Readiness Account (grants to support preschool, literacy, and readiness programs).



## New Hampshire

- For state FY 2025, New Hampshire's state budget for child care is \$15 million.
- For state FY 2025, New Hampshire did not allocate any state funds for preschool.



## New Jersey

- For state FY 2025, New Jersey's state budget for child care is \$482.5 million which is used for child care enrollment-based subsidy payments, under the Work First NJ program.
- For state FY 2025, New Jersey's state budget for preschool is \$124 million.
  - o Further breakdown of the budget suggests that \$124 million is to fund existing public preschool programs and includes \$20 million in preschool expansion aid for new districts.



## New Mexico

- No current information is available for child care or preschool.



## New York

- For state FY 2025, New York's state budget for child care is approximately \$300,154,927.
- For state FY 2025, New York's state budget for State-Administered Prekindergarten Programs is \$1.176 billion. This amount includes \$100 million rolled over from previous years' unspent preschool dollars.



## North Carolina

- For state FY 2025, North Carolina's state budget for child care is \$203,091,987.
  - Further breakdown of the budget suggests that \$85,050,845 is used for subsidized child care, \$63,680,616 is for Smart Start subsidized child care, \$52,371,075 is for Smart Start child care related activities, and \$1,989,451 is for child care capacity building.
- For state FY 2025, North Carolina's state budget for North Carolina Pre-Kindergarten is \$124,460,262.



## North Dakota

- For state FY 2024, North Dakota's state budget for child care was \$77.8 million.
  - Further breakdown of the budget suggests that \$65.6 million comes from House Bill 1540 and \$12.2 million comes from state general funds.
- For state FY 2024, North Dakota's state budget for preschool was \$12 million, for grants available through the Best in Class program.



## Ohio

- For state FY 2025, Ohio has no additional state funding for child care beyond matching or MOE funds.
- No current information available for preschool



## Oklahoma

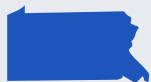
- No current information is available for child care or preschool.



## Oregon

Oregon has a biennial budget, so each of the figures below represents two years of state funding. Data was not available breaking down the funding per year.

- For state FY 2023-2025, Oregon's biennial budget for child care is \$223,310,000.
  - o Further breakdown of the budget suggests that \$137,310,000 of state general funds and \$86 million from SB 5701-2 are directed toward the subsidized child care program Employment Related Day Care.
- For state FY 2023-2025, Oregon's biennial budget for preschool is \$187,670,000 for the state preschool program Preschool Promise.
  - o Further breakdown of the budget suggests that \$39.87 million comes from state general funds and \$147.8 million from the Student Success Act.
- In addition, the Student Success Act provides \$193,520,000 toward Oregon Prenatal to Kindergarten to fund state preschool, Head Start, and Early Head Start.
- An additional \$13.19 million is spent on child care and preschool from the Early Learning Grants program.



## Pennsylvania

- For state FY 2025, Pennsylvania's state budget for child care is \$421,335,000.
  - o Further breakdown of the budget suggests that \$298,080,000 is allocated to Child Care Services and \$123,255,000 to Child Care Assistance.
- For state FY 2025, Pennsylvania's state budget for preschool is \$408,162,000.
  - o Further breakdown of the budget suggests that \$317,284,000 is directed toward Pre-K Counts and \$90,878,000 for Head Start Supplemental Assistance Program.





## Rhode Island

- For state FY 2025, Rhode Island's state budget for child care is \$10.1 million.
- For state FY 2025, Rhode Island's state budget for preschool is \$31.1 million.
  - A further breakdown shows that \$29.9 million is directed toward RI Pre-Kindergarten, managed by the Rhode Island Department of Education. Note: RI Pre-K funding is also blended with Head Start funding at the program level, meaning some of this preschool funding is also supporting Head Start. Of this funding, \$1.1 million was transferred to the Rhode Island Department of Human Services to support access to quality infant and toddler child care and Early Head Start.
  - Additionally, the FY2025 budget allocates \$1.2 million towards supporting 130 Head Start seats, managed by the Rhode Island Department of Human Services.



## South Carolina

- For state FY 2024, South Carolina's state budget for child care was \$10,287,761.
- For state FY 2024, South Carolina's state budget for preschool was \$144,291,577.
  - Further breakdown of the budget suggests that Education Improvement Act funding provides substantial support for early childhood education programs, including \$11,513,846 for half-day 4K programs and \$63,465,168 for the Child Early Reading Development and Education (CERDEP) 4K (full day 4K Child Development Education Pilot Program; CDEPP) program. The First Steps to School Readiness initiative receives a total of \$40,007,554, with \$19,983,799 designated specifically for 4K programs and \$20,023,755 allocated to non-4K-specific initiatives.
  - Additionally, the General Fund and Other Funding Services, CERDEP 4K (Full Day 4K CDEPP) receives \$8,223,882, while First Steps to School Readiness is supported with \$21,081,127, including \$10,673,127 specifically for 4K and \$10,408,000 for non-4K purposes.



## South Dakota

- For state FY 2025, South Dakota's state budget for child care is \$5.5 million.
- For state FY 2025, South Dakota did not make any state investment in preschool.



## Tennessee

- For state FY 2025, Tennessee's state budget for child care is \$15 million for child care sustainability and expansion.
- No current information is available for preschool.



## Texas

- No current information available for child care.
- For state FY 2025, Texas's state budget for preschool, outside of formula funding through the Foundation School Program (FSP), is \$3.75 million.
  - Further breakdown of the budget suggests that \$500,000 is directed toward pre-K at intergenerational facilities and \$3.25 million is allotted to early childhood school readiness.
- Pre-kindergarten students are eligible to receive formula funding through the Foundation School Program (FSP) for half-day attendance.
  - No current information is available for FSP funding; however, for FY 2022, funding was \$938,418,031.
- Additionally, Texas invests \$16,498,102 toward the council on early childhood development.



## Utah

- For state FY 2024, Utah's state budget for child care was \$895,000, directed to Child Care Assistance subsidies.
- For state FY 2024, Utah's state budget for preschool was \$6 million for the School Readiness Initiative.



## Vermont

- For state FY 2025, Vermont's state budget for child care is \$173 million.
- No current information is available for preschool.



## Virginia

- For state FY 2025, Virginia's state budget for child care is \$208,674,166.
  - A further breakdown of the budget indicates that \$196,701,117 is allocated to the Child Care Subsidy Program. The remaining approximately \$170 million represents new funding.
- Additionally, \$38,837,720 is allocated to the Mixed Delivery Grant Program, a public-private partnership offering grants to child care providers. This program serves children from birth to age 5; thus, its classification as either child care or preschool varies based on the individual provider and the age of children served.
- For state FY 2025, Virginia's state budget for preschool is \$157,638,026, directed toward the Virginia Preschool Initiative.



## Washington

- For state FY 2025, Washington's state budget for child care is \$654,063,000.
- For state FY 2025, Washington's state budget for preschool is \$312,449,000. This includes \$69,969,000 for the Transition to Kindergarten program and \$242,490,000 for the Early Childhood Education and Assistance Program.



## West Virginia

- For state FY 2025, West Virginia's state budget for child care is \$7,977,036, which supports child care subsidies for families, licensing child care facilities, conducting quality review, and providing education support for child care professionals.
- No current information is available for preschool.



## Wisconsin

- For state FY 2025, Wisconsin has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2025, Wisconsin's state budget for preschool is \$7,614,100.
  - Further breakdown suggests that \$6,264,100 is directed toward the Head Start State Supplement and \$1,350,000 is allotted to Four-Year-Old (4K) Start Up Grants.



## Wyoming

- For state FY 2025, Wyoming has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2025, Wyoming's state budget makes no state investment in preschool.
- Wyoming invests \$1,329,714 of state funds toward an early childhood integrated data system.



# Appendix: Study Methods

## Participants

Using CCAoA's robust database of contacts, staff compiled three lists to receive an email survey on state child care and preschool funding: 1. Contacts at state finance and budget divisions (all 50 states and Washington, DC); 2. Contacts at policy and budget organizations (25 states and DC); and 3. Contacts at the State Priorities Partnership (40 states and DC). For states that did not submit a response, CCAoA's policy staff reached out to their network of state contacts with individual emails (23 states). These emails were targeted to contacts who had expertise around state budgets or who had connections to such experts.

## Data Collection

**Email survey:** The survey consisted of an email containing two questions:

1. For the current fiscal year, how much does your state invest in child care? We are particularly interested in funding that is outside of the CCDF match.
2. For the current fiscal year, how much does your state invest in pre-K/ preschool?

In addition to the questions, the email indicated that the CCAoA staff would be happy to set up a time to connect and learn about how the state approaches contributions to child care and early learning.

Initial emails were sent to the three email lists in late July 2024. States that did not respond got a reminder email in late August. States that still hadn't responded received the individual email outreach in mid-September. In November, each respondent received an email with the data they provided to confirm its accuracy. Data confirmation was completed in mid-January 2025.

**Meetings:** Virtual meetings were held with any respondents who requested them. CCAoA staff examined state budgets with respondents to disentangle various funding streams.

## Per Capita Calculation

CCAoA staff calculated a per capita total state investment figure for each state to allow for a comparison among states on child care and preschool investments. The total state investment included the state general funds for child care and preschool reported above, plus the expected state CCDF match and MOE.<sup>12</sup> To calculate the per capita figure, the total state investment was divided by the total number of children under age 5.<sup>13</sup>

The per capita calculation was done only for the 38 states with complete data (i.e., on both child care and preschool general fund investments).

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