

# AN UNEVEN START 2026

Where Child Care Funding Falls  
Short—And Why it Matters



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**ABOUT CHILD CARE AWARE® OF AMERICA:** As the only national organization with an on-the-ground network that supports every part of the child care system, Child Care Aware® of America (CCAoA) knows what is needed to make child care work for children, families, providers, and communities. Every day our network is working to turn a patchwork of resources into a system that helps families work, supports children’s healthy development and learning, and keeps our economy growing.

# Executive Summary

Quality child care is an essential component of our nation's infrastructure, with significant benefits for parents, children, businesses, and the economy. It allows parents, particularly mothers of young children, to participate in the workforce.<sup>1</sup> Businesses benefit when parents have reliable child care, increasing productivity and strengthening a stable, dependable workforce that supports the broader economy.<sup>2</sup> Quality child care also benefits children, with positive impacts on multiple aspects of development.<sup>3</sup>

Yet America has a fragmented child care and early learning system that doesn't meet the needs of families, businesses, or early educators. Families struggle to find and afford child care, the child care workforce is woefully underpaid, child care programs operate on razor thin margins, and businesses are suffering lost productivity and workforce turnover due to child care issues.

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

In order to better understand the current state-by-state funding landscape, Child Care Aware® of America (CCAoA) conducted a study of Fiscal Year (FY) 2026 state child care and preschool funding, focusing on investments from state general funds above federally required matching and maintenance of effort (MOE) funds. Responses came from experts in state finance and budget divisions, and state policy and budget organizations, in 44 states and Washington, D.C. The report updates research CCAoA completed in 2025,<sup>4</sup> providing new data on state funding for FY 2026 and allowing year-over-year comparisons for a subset of states with data for both years.

# What We Learned

- **Children, families, and communities across America remain on an uneven playing field when it comes to state child care and preschool funding.** Looking at total FY 2026 state investments in child care and preschool (including federally required matching and maintenance of effort funds) states are investing less than \$500 per child under age 5 to more than \$5,000 per child. Washington, D.C. is an outlier, investing over \$9,800 per child.
- **Some states are doing the bare minimum and some are even moving backwards.** Seven states (Arkansas, Idaho, Missouri, Nevada, Rhode Island, West Virginia, and Wyoming) fail to invest in child care beyond what is required to draw down federal dollars. In addition, six states (Florida, Kansas, Kentucky, North Carolina, New Hampshire and Rhode Island) decreased their state investment from FY25 to FY26.
- **Year-over-year, some states are increasing funding for child care and preschool.** Total per child investments in child care and preschool increased from FY 2025 to FY 2026 in most of the states (20 of 26) that had data for both years. The average funding increased to about \$1,700 per child aged birth to 5 in FY 2026, from about \$1,400 in FY 2025, across the 26 states.
- **States are still coming up short for young children.** 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 2026 (California, \$5,994) is lower than all but seven states' per child state K-12 investment in FY 2023. Birth to age 5 is a period of rapid, intense brain development, creating an unparalleled opportunity for learning and growth. Underspensing during this critical window means missing a vital chance to support and strengthen children's long-term development and success.<sup>5</sup>
- **Tracking and reporting state child care and preschool funding remain challenging, due to fragmented governance and funding streams. This reduces transparency and accountability.** Funding for child care and preschool is often 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.

# Recommendations

- **Increase Investments:** States should significantly boost child care and preschool funding and strengthen their child care systems by reducing family costs, supporting the workforce, and expanding the supply of quality programs.
- **Improve Transparency:** Policymakers should streamline and align funding data across agencies so stakeholders can clearly understand current investments and identify opportunities for improvement.
- **Strengthen Coordination:** States should restructure or better coordinate the agencies overseeing child care and preschool to create more efficient, unified systems that better serve children and families.



# Introduction

America has a fragmented child care and early learning system that doesn't meet the needs of families, businesses, or early educators. Families struggle to find child care and to pay for it if they can find it. The average annual cost of child care for one child is over \$13,000—10% of a married couple's median income.<sup>6</sup> The cost of center-based care for two children exceeds average annual rent payments in nearly all states. While subsidies exist in every state to help families with low incomes pay for child care, those dollars (which flow from both federal and state sources) serve only a fraction of eligible families.<sup>7</sup>

This situation also hurts businesses, as lack of stable, accessible child care dramatically impacts working parents, often forcing reduced work hours, lower productivity, or leaving the workforce entirely. This, in turn, damages the national and state economies.<sup>8</sup> A recent study found that the lack of affordable care for children under age 5 costs the United States \$172 billion in lost earnings, productivity, and tax revenue every year.<sup>9</sup>

At the same time, early childhood educators require a specialized set of skills, and must be well-trained to ensure young children are safe, nurtured, and learning. However, these educators are compensated at rates that stand in stark contrast to their skills and responsibilities, with a median wage of just over \$13 an hour,<sup>10</sup> leaving many of them unable to support their own families.<sup>11</sup> In sum, the child care and early learning system, as currently implemented, is unsustainable and requires a renewed focus on how to better support it.

## Child Care Funding

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).<sup>12</sup> In addition, states can transfer a portion of their Temporary Assistance for Needy Families (TANF) funds to CCDF.<sup>13</sup>

CCDBG is the main federal law that governs child care programs, authorizing grants to state, territorial, and tribal lead agencies.<sup>14</sup> Lead agencies in turn use these funds to support child care by investing in the child care system and also 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 2019 to 2021, based on the most recent final reports available from the Administration for Children and Families (ACF), five states (ID, KS, NC, PA, TN) failed to meet their CCDF match in 2019; Oklahoma failed to meet its match in 2020; and three states failed to meet their match in 2021 (DE, NV, WA). These states left federal money on the table that could have supported families, child care providers, and communities in their states.<sup>15</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.

In FY 2025, CCDF federal-only funds totaled \$11.7 billion.<sup>16</sup>

**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 roles 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. The study updates research CCAoA completed in 2025,<sup>17</sup> providing new data on state funding for FY 2026, and allowing year-over-year comparisons for a subset of states with data for both years.

# Summary of Findings

For details on the study methodology, please see the [Appendix: Study Methods](#).

The current FY 2026 study yielded responses from 44 states and Washington, D.C. (states not responding: AK, CO, CT, IN, ND, OK). Our FY 2025 study included 42 states; new respondents this year included: AZ, AR, DE, MS, MO, NM. 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 the data collection process. Responses were often nuanced and complicated, reflecting the complexity of the funding landscape in many states. North Carolina had not yet passed a state budget at the time the report was completed, so FY 2025 data are reported. Oregon has a biennial budget and does not specify the specific amount for each year.

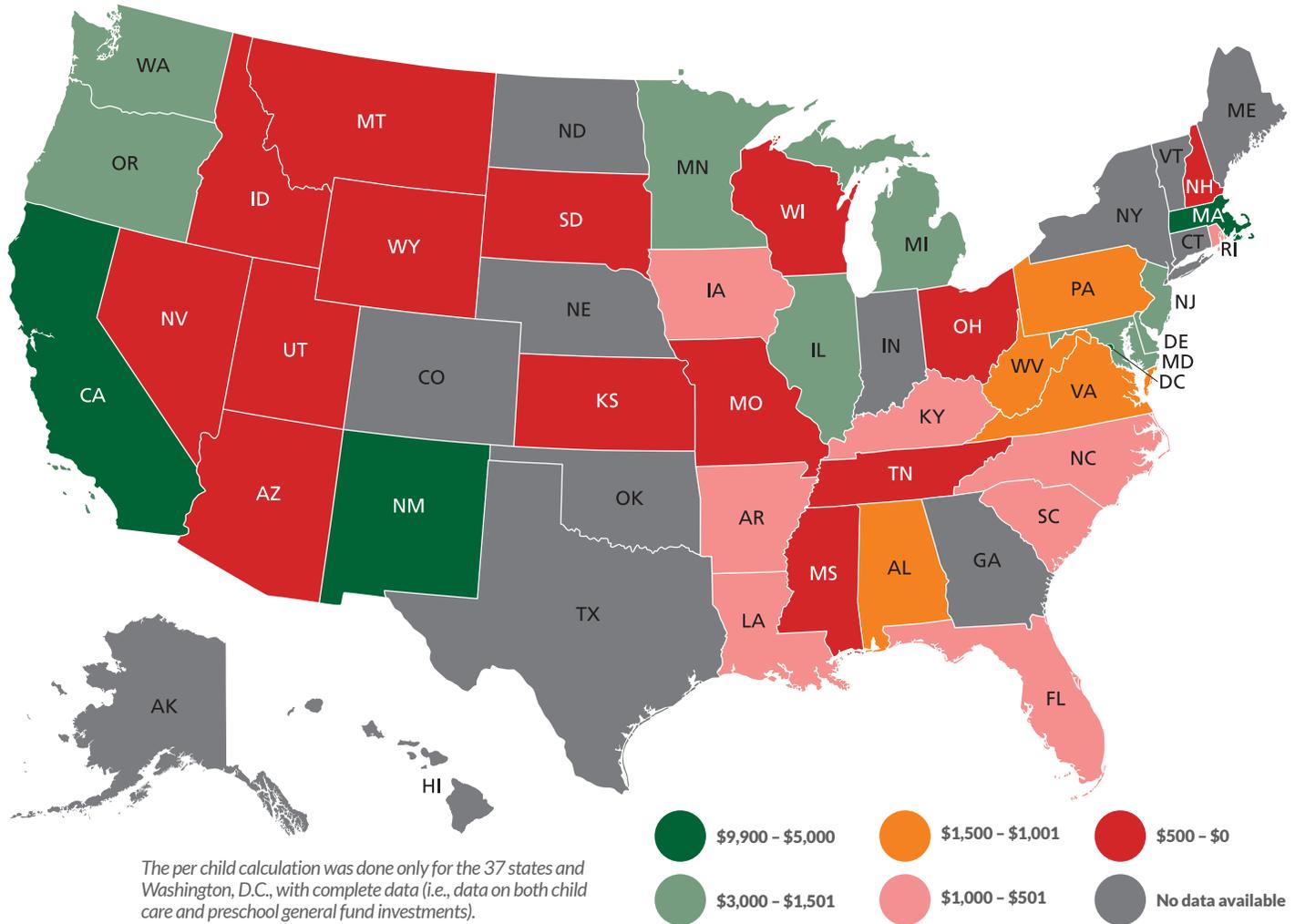
Despite these challenges, several key findings emerged across the states:

## Finding #1

**States are still 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 2026** (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 \$5,000 per child.** Washington, D.C., was an outlier, investing over \$9,800 per child. The average across all states with data for FY 2026 was \$1,575.

Funding levels differed for three states in FY 2026, compared to FY 2025: Maryland, Michigan, and New Jersey all moved from the \$1,001-\$1,500 per child level in FY 2025 to the \$1,501-\$3,000 level in FY 2026.

## Total State Investments in Child Care and Preschool FY26, Per Child



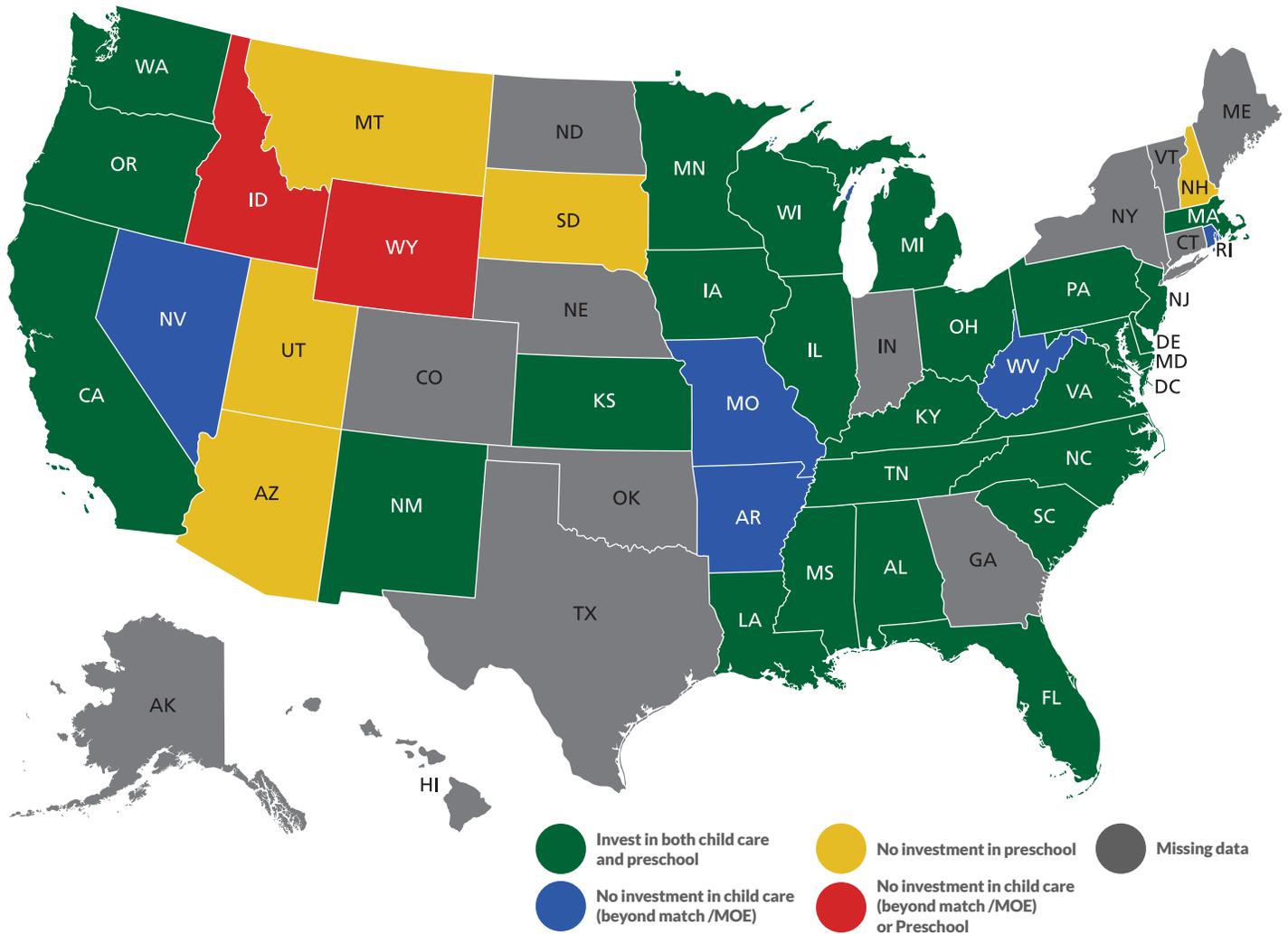
**Findings indicated that seven states (Arkansas, Idaho, Missouri, Nevada, Rhode Island, West Virginia, Wyoming) allocate no child care funds beyond required federal matches and MOE, while other states make modest to substantial investments.**

FY 2025 vs 2026 findings differed for two states: in FY 2025 Ohio did not make any state investment in child care, but did so in FY 2026. The opposite is true of West Virginia, which made an investment in FY 2025, but not in FY 2026.

Similar discrepancies exist in preschool funding across states, with seven states making no investment (Arizona, Idaho, Montana, New Hampshire, South Dakota, Utah, Wyoming). While Arizona and Utah funded preschool in FY 2025, they did not maintain that funding in FY 2026.

Arizona, Montana, New Hampshire, South Dakota, and Utah invest in child care, but not preschool. Arkansas, Missouri, Nevada, Rhode Island, West Virginia, 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).

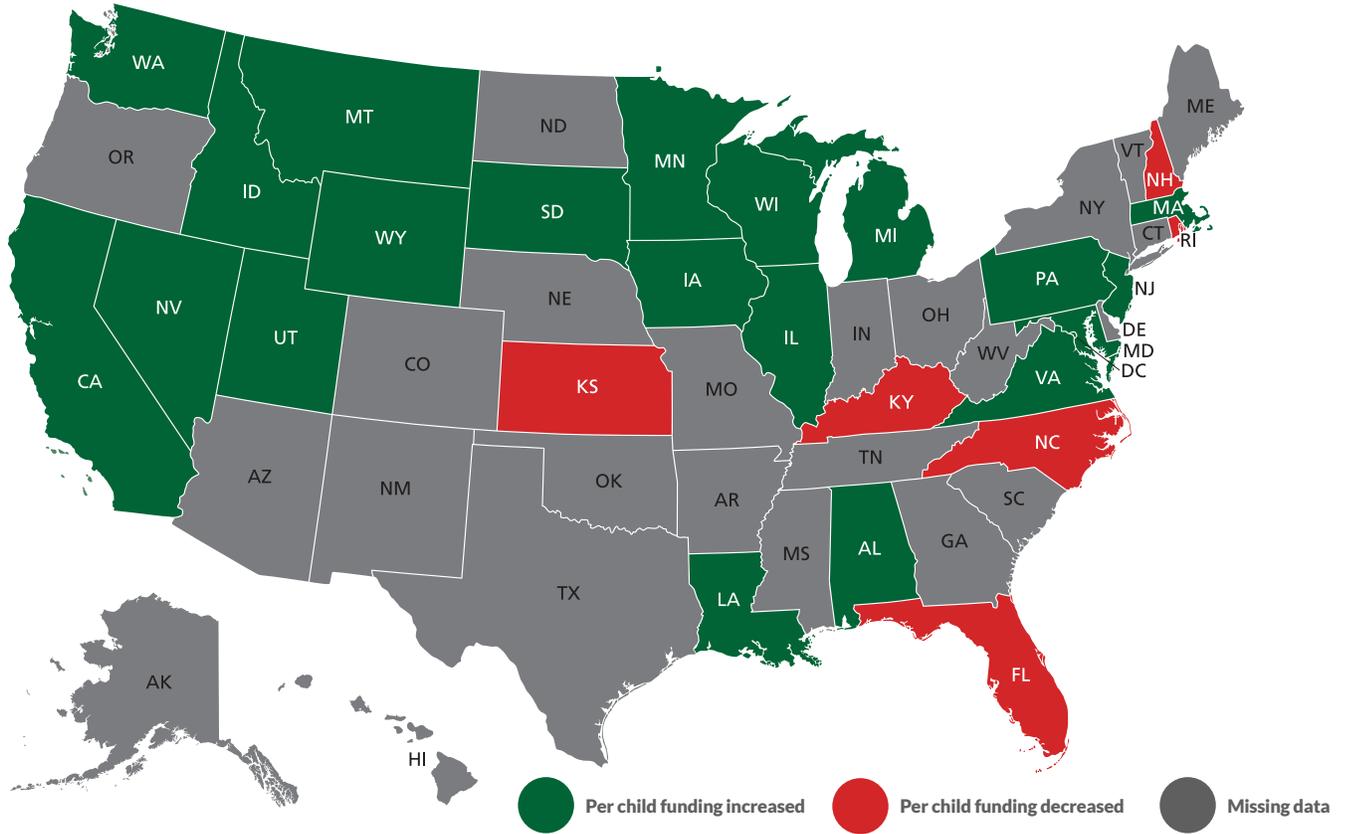
### State Investments in Child Care (above federal requirements) or Preschool, FY26



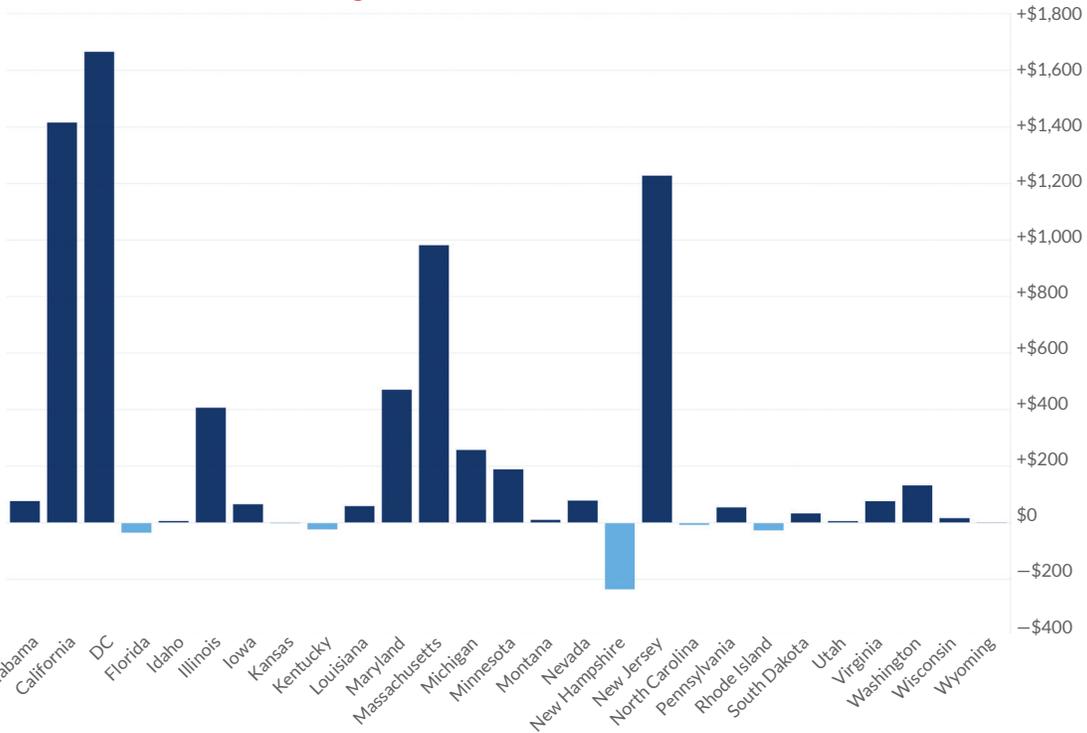
### Finding #2

Total per child investments in child care and preschool increased from FY 2025 to FY 2026 in most states that had data for both years. The average increased to about \$1,700 per child birth to age 5 in FY 2026, from about \$1,400 in FY 2025. Twenty-six states<sup>18</sup> and Washington, D.C. had data on their investments (state general funds plus expected federal match and MOE) for both fiscal years. Funding increased across the two years in 20 of these states and Washington, D.C. Per child average funding also increased across the 26 states.

## Total State Investments in Child Care and Preschool, Per Child, FY 2025 vs. FY 2026



## Per Child Investment, Change FY25 to FY26



### Finding #3

**States are still coming up short for young children. 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 2026 (California, \$5,994) is lower than all but seven states' per child state K-12 investment in FY 2023.*<sup>19</sup>**

Prior research has documented that public spending on children under age 5 is substantially less than that for school-aged children. For example, a recent study found that for every public dollar spent on education and care for school-aged children, preschoolers received only 21 cents and infants and toddlers just 11 cents.<sup>20</sup>

Due to data limitations (data on K-12 spending includes some early education spending in many states), the current analysis does not include a state-by-state early childhood education vs. K-12 comparison.

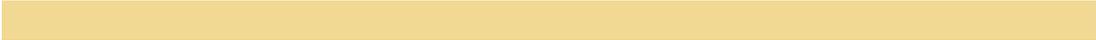
However, available data indicate that some states that invest heavily in early education still fall short in comparison to their K-12 spending. For example, California, with the highest early education spending in FY 2026 (\$5,994 per child) spent more per child in K-12 in FY 2023 (\$11,133).<sup>21</sup> Birth to age 5 is a period of rapid, intense brain development, creating an unparalleled opportunity for learning and growth. Underspensing during this critical window means missing a vital chance to support and strengthen children's long-term development and success.<sup>22</sup>

### Finding #4

**Tracking and reporting state child care and preschool funding remain challenging, due to fragmented governance and funding streams. This reduces 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 (e.g., Health and Human Services, Education, Social Services).<sup>23</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 complicate matters.

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, or school-aged children<sup>24</sup>).



For example, in some 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 was difficult for many states to track and report on their child care and preschool investments. Data collection for this study, for example, often required outreach to staff at multiple state departments or agencies to obtain a comprehensive picture of state investments. Many states required effort to decipher state budgets and disentangle various funding streams. North Carolina had not yet passed a state budget at the time the report was completed, so FY 2025 data are reported. Oregon has a biennial budget and does not specify the specific amount for each year.

In addition to these complexities, staff turnover complicated data collection, as some informants for the FY 2025 study were no longer employed at their agencies at the time of FY 2026 data collection.

# Recommendations

There continues to be room for improvement across all states when it comes to supporting young children in child care and early learning. Based on the findings of this study, it is clear that states should significantly increase investments in child care and preschool to address the wide disparities and ensure they are making meaningful progress toward strengthening their early learning systems. Both federal and state funds should be leveraged to lower costs for families, support the child care workforce, and expand the supply of quality programs. Policymakers should also improve transparency by streamlining how child care and preschool funding is tracked across agencies and funding streams, allowing stakeholders to clearly understand the current landscape and identify opportunities for improvement—building on the detailed state profiles included in this report. Finally, states should consider restructuring or enhancing coordination among the agencies and departments that administer child care and preschool programs, as more unified governance can improve clarity, reduce inefficiencies, and better serve children and families.



## Conclusion

Extensive research demonstrates that accessible, affordable, quality child care has significant benefits for parents, children, businesses, and the economy. Given the broad benefits of stable child care, state and local governments and businesses, as well as families, all have roles to play in supporting the child care system. Current public investment in early care and education falls far short of the need, despite widespread, bipartisan support for increased public investment.<sup>25</sup>

This study demonstrates that states must do more 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.

Working together we can make 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). 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>26</sup>



## Alabama

- For state FY 2026, Alabama's state budget for child care is \$86,751,450. Further breakdown shows that this includes \$2,592,647 for Early Head Start.
- For state FY 2026, Alabama's state budget for preschool (First Class Pre-K program) is \$197,448,382.



## Alaska

No response



## Arizona

- For state FY 2026, Arizona invests \$44.9 million in state general funds for child care.
- Arizona currently invests no state funds in preschool.



## Arkansas

- For state FY 2026, Arkansas has no additional state funding for child care beyond CCDF matching and MOE funds.
- For state FY 2026, Arkansas's state budget for preschool is \$106.5 million.



## California

- For state FY 2026, California’s state budget for child care is \$4,648,162,000.
  - A detailed breakdown of the budget reveals that \$3,966,652,000 is allocated to slots. Of this amount, \$1,028,794,000 is directed toward CalWORKs Child Care, which supports families in which parents are engaged in or have recently completed welfare-to-work activities in the state’s TANF program. The remaining \$2,937,858,000 is allocated to various programs such as General Child Care, Alternative Payment Program (the state subsidy program) and the Migrant Child Care and Development Program (subsidies and child care centers for migrant workers).
  - An additional \$681,510,000 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 2026, California’s state budget for preschool is \$7.531 billion.
  - An overview indicates that \$2.875 billion is allocated to the California State Preschool Program, while \$4.656 billion is designated for Transitional Kindergarten Funding (TK). [TK funding is based on Average Daily Attendance; the figure here reflects estimated enrollment for 2025-26.]



## Colorado

No response



## Connecticut

No response



## Delaware

- For state FY 2026, Delaware’s budget allocates \$77 million for child care.
- For state FY 2026, Delaware’s budget allocates \$15.8 million for preschool.
- In addition, Delaware’s state FY 2026 budget allocates \$34.4 million to Early Childhood Initiatives, to support the state’s quality improvement system for early childhood education and strengthen the state’s comprehensive early childhood system.



## District of Columbia

- For district FY 2026, the District of Columbia’s budget for child care is \$129 million.
  - A further breakdown shows that \$57 million is directed to the child care subsidy program and \$72 million is for the early childhood educator pay equity fund.
- For district FY 2026, District of Columbia’s budget for Pre-K is estimated at \$252 million.
  - \$19.5 million is allocated for the Pre-K Enhancement and Expansion program (community-based universal Pre-K program).
  - In addition, the DC Public Schools Uniform Per Student Funding Formula (UPSFF) allocates \$19,655 per student for Pre-K3 and \$19,068 for Pre-K4. Current year enrollment is not yet available. Using FY 2025 enrollment, we estimate that \$232.7 is allocated for Pre-K in FY 2026 through the UPSFF.



## Florida

- For state FY 2026, Florida’s state budget for child care is \$155,995,939, allocated to the Florida School Readiness Program.
- For state FY 2026, Florida’s state budget for preschool is \$434,199,644, supporting the Voluntary PreKindergarten (VPK) Education Program.



## Georgia

- No current data is available on state investments in child care beyond the CCDF match and MOE.
- For state FY 2026, Georgia’s state budget for preschool is \$563,040,616.



## Hawaii

- No information available on child care.
- For state FY 2026, Hawaii’s state budget for preschool is \$18,705,640.



## Idaho

- For state FY 2026, Idaho has no additional state funding for child care beyond CCDF matching or MOE funds.
- For state FY 2026, Idaho has no state funding for preschool.



## Illinois

- For state FY 2026, Illinois's state budget for child care is \$1,010,815,800.
  - Further breakdown of the funding suggests \$777,099,000 is allotted to Child Care Services (Child Care Assistance Program); \$212,000,000 is directed toward Smart Start Child Care (which includes Smart Start Workforce grants); and \$21,716,800 is allocated to the Illinois Department of Early Childhood.
- For state FY 2026, Illinois has appropriated \$748,138,000 for the Early Childhood Block Grant (level-funded from FY 2025). 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

No response



## Iowa

- Iowa has budgeted \$18.6 million for child care for state FY 2026.
- Iowa has budgeted \$91.421 million for preschool for state FY 2026.



## Kansas

- For state FY 2026, Kansas's state budget for child care is \$3,443,015.
  - Child care licensing (aid and assistance) is allocated \$290,720.
  - Additionally, Kansas allocates state general funds to support child care centers on college campuses. Fort Hays State University's Campus Daycare received \$98,950, while Wichita State University's Child Development Center was allocated \$230,000. Kansas State University's Center for Child Development was granted \$1,135,561, and the University of Kansas' Child Development Center received \$1,687,784. The total for child care on college campuses is \$3,152,295.
- For state FY 2026, Kansas's state budget for preschool is \$37,334,092.
  - Further breakdown of the budget suggests that \$32,721,365 is allocated to the Kansas State Department of Education for the Preschool-Aged At-Risk Program. In addition, \$1,135,559 is allocated to Kansas State University and \$3,477,168 is allocated to the University of Kansas for preschool.



## Kentucky

- For state FY 2026, Kentucky invests \$48,152,795 in child care.
- For state FY 2026, Kentucky's state budget for preschool is \$84.5 million.



## Louisiana

- For state FY 2026, 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 2026, Louisiana's state budget for preschool is \$99.1 million.
  - Further breakdown of the budget suggests \$84 million is directed toward the Cecil J. Picard LA 4 Early Childhood Program (Louisiana's primary preschool program), \$7.8 million is allotted to Nonpublic Schools Early Childhood Development Program, and \$7.3 million is for the Louisiana Quality Education Support Fund.



## Maine

- For state FY 2026, Maine's state budget for child care is \$49,974,744.
  - Further breakdown of the budget shows that \$30,829,806 is for the Salary Supplement Program, which provides funding for every teacher or staff member working directly with children in licensed child care to receive monthly wage supplements, with the amount depending on education and experience. The Child Care Affordability Program (CCAP) receives \$10,100,000 for child care subsidies for families with incomes up to 125% of the State Median Income. There is also \$2,500,000 for the Child Care Employment Award, a subsidy for children of staff working in child care (if eligible for CCAP, the award pays for the parent fee, if not eligible, the award pays half the market rate, which is about half the tuition cost. ECE Consultation for ME, Maine's Infant and Early Childhood Mental Health Consultation Program, receives \$1,750,480. Finally, Maine contracts with the state's 11 Head Start agencies, with a budget of \$4,794,458.
- No current information available for preschool.



## Maryland

- For state FY 2026, Maryland's state budget for child care is \$414,247,835.
- For state FY 2026, Maryland's state budget for preschool is \$199,261,689.



## Massachusetts

- For state FY 2026, Massachusetts' state budget for child care is \$1,643,018,897.
- For state FY 2026, Massachusetts' state budget for preschool is \$222,645,152.



## Michigan

- For state FY 2026, Michigan's state budget for child care is \$165,910,700.
  - Further breakdown suggests that \$162,510,700 is directed toward the Child Development and Care program (subsidies) and \$3.4 million for the Tri-Share program.
- For state FY 2026, Michigan's state budget for preschool is \$691,567,600. Further breakdown shows that \$666,567,600 is directed to the Great Start Readiness Program (GSRP) 4-year-old program and \$25 million to the GSRP 3-year-old-pilot program.



## Minnesota

- For state FY 2026, Minnesota's state budget for child care is \$711,219,000.
- For FY 2026 Minnesota's state budget for preschool is \$105,119,553. Further breakdown indicates:
  - Minnesota allocates 12,360 seats for Voluntary Prekindergarten (VPK) in FY 2026. 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 \$71,436,553 on prekindergarten,
  - Minnesota also funds the School Readiness Program administered by school districts for children age 3 to kindergarten entrance. For FY 2026, the state budget for the School Readiness Program is \$33,683,000.



## Mississippi

- For state FY 2026, Mississippi's state budget for child care is \$15 million.
- For state FY 2026, Mississippi's state budget for preschool is \$42 million.



## Missouri

- For state FY 2026, Missouri invests no state funds in child care beyond the CCDF match and MOE. Funding was appropriated during the 2025 session authorizing subsidy payments to be made prospectively and based on authorization.
- For state FY 2026, Missouri invests \$72,065,431 in preschool.



## Montana

- For state FY 2026, 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 2026, Montana does not invest in a state preschool program.



## Nebraska

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



## Nevada

- For state FY 2026, Nevada has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2026, Nevada’s state budget for preschool is \$54,135,170 for the state pre-K program (Nevada Ready!).



## New Hampshire

- For state FYs 2026-2027, New Hampshire’s state budget for child care is \$100,000.
- For state FYs 2026-2027, New Hampshire did not allocate any state funds for preschool.



## New Jersey

- For state FY 2026, New Jersey’s is investing \$565,805,000 in child care subsidy payments, under the Work First NJ program.
- For state FY 2026, New Jersey’s state budget for preschool is \$1,266,545,000.



## New Mexico

- For state FY 2026, New Mexico’s state budget for child care is \$304.9 million. This includes support from general funds and the ECE Trust Fund.
- For state FY 2026, New Mexico’s state budget for preschool is \$261.9 million.
- In addition to the above funding, New Mexico invests \$26.1 million in professional development for early childhood educators.



## New York

- No information available for child care.
- For state FY 2026, New York is investing \$1,210,986,413 in its State-Administered Universal Prekindergarten Program.



## North Carolina

*At time of report writing, North Carolina has not passed a FY2026 budget, so funding is continuing at FY 2025 levels:*

- For state FY 2025, North Carolina's state budget for child care was \$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 was \$124,460,262.



## North Dakota

No response



## Ohio

- For state FY 2026, Ohio's state budget for child care is \$17,052,091.
  - Further breakdown of the budget suggests that \$6,052,091 is allotted to licensing, \$10 million is for the Child Care Cred program and \$1 million is allotted to provider recruitment.
- For state FY 2026, Ohio's budget for preschool /Early Childhood Education program is \$130,319,450.



## Oklahoma

No response



## 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 2025-2027, Oregon’s biennial budget for child care is \$349.3 million for the Employment Related Day Care program.
- For state FY 2025-2027, Oregon’s biennial budget for preschool is \$559.7 million.
  - Further breakdown of the budget suggests that \$179 million is for Preschool Promise (the state preschool program) and \$380.7 million goes toward Oregon Prenatal to Kindergarten (state funding for Head Start and Early Head Start).
- An additional \$8.5 million is spent on child care and preschool from the Early Learning Grants program (for infrastructure and professional development).



## Pennsylvania

- For state FY 2026, Pennsylvania’s state budget for child care is \$446,335,000.
  - Further breakdown of the budget suggests that \$298,080,000 is allocated to Child Care Services, \$123,255,000 to Child Care Assistance, and \$25 million to Child Care Recruitment and Retention.
- For state FY 2026, Pennsylvania’s state budget for preschool is \$417,691,000.
  - Further breakdown of the budget suggests that \$326,813,000 is directed toward Pre-K Counts and \$ 90,878,000 for Head Start Supplemental Assistance Program.



## Rhode Island

- For state FY 2026, Rhode Island invests no state funds in child care beyond the CCDF match and MOE.
- For state FY 2026, Rhode Island’s state budget for preschool is \$30 million.
  - A further breakdown shows that \$28.9 million is directed toward RI Pre-Kindergarten and \$1.4 million is invested in Head Start.



## South Carolina

- For state FY 2026, South Carolina's state budget for child care is \$16,792,148.
- For state FY 2026, South Carolina's state budget for preschool is \$118,717,230.
  - Further breakdown of the budget suggests that Education Improvement Act (EIA) funding provides substantial support for early childhood education programs, including \$8,513,846 for half-day 4K programs and \$78,465,168 for the Child Early Reading Development and Education Program (CERDEP) 4K (Full-Day 4K/Child Development Education Pilot Program; CDEPP). Additional EIA allocations include \$2,975,000 for Early Literacy Training.
  - The First Steps to School Readiness initiative receives a total of \$20,539,334 from General Funds, including \$4,920,462 supporting Local First Steps Partnerships, \$13,766,930 for Full-Day 4K (CERDEP).
  - Additionally, CERDEP 4 K Full Day program receives \$8,223,882 from other funding sources.



## South Dakota

- For state FY 2026, South Dakota's state budget for child care is \$6.7 million, with \$5.7 million in general funds and \$1.0 million in other state funds.
- For state FY 2026, South Dakota provides no state funding for preschool.



## Tennessee

- For state FY 2026, Tennessee's state budget for child care totals \$28.1 million.
- The budget includes:
  - \$15 million in recurring funds for three years to support child care sustainability and expansion,
  - \$7.2 million in recurring funds to expand and retain the child care workforce,
  - \$5.9 million in recurring funds to establish a step-down program for families currently participating in the Smart Steps subsidy program with household incomes between 85% and 100% of the State Median Income.
- For state FY 2026, Tennessee's investment in pre-K is \$85,505,734.



## Texas

- For state FY 2026, Texas' state budget includes \$11.3 million in state funding for child care.
- Texas's total state budget for preschool is not available.
  - Prekindergarten students are eligible to receive initial formula funding through the Foundation School Program (FSP) for half-day attendance. The Legislative Budget Board does not estimate FSP funding for prekindergarten separately from overall FSP appropriations.
  - In addition to this initial formula funding, House Bill 2, Eighty-ninth Legislature, Regular Session, 2025, added an allotment to the FSP that is estimated to add \$544.0 million toward prekindergarten education in FY 2026. This allotment is intended to provide funding for the remaining half day of attendance.
  - Non-FSP funding at the Texas Education Agency includes \$500,000 directed toward pre-K at intergenerational facilities; \$2,500,000 toward School Readiness, Food Security, and Recover Pilot Grant Program; and \$3,250,000 toward the Early Childhood State Center at UTHSC.



## Utah

- For state FY 2026, Utah's state budget for child care is \$865,000, directed to Child Care Assistance subsidies.
- For state FY 2026, Utah has no state budget for preschool.



## Vermont

- For FY 2026, Vermont has appropriated a base budget of \$176.7M of state funds to support the Child Development Division.
- No current information is available for preschool.



## Virginia

- For state FY 2026, Virginia's state budget for child care is \$332,203,285. The budget includes:
  - \$293,365,565 directed towards the Child Care Subsidy Program,
  - \$38,837,720 for the Mixed Delivery Grant Program.
- For state FY 2026, Virginia's state budget for the Virginia Preschool Initiative (VPI) is \$156,352,996.
  - This includes \$123,236,076 for four-year-olds and \$33,116,920 for VPI expansion.



## Washington

- For state FY 2026, Washington's state budget for child care is \$724 million.
- For state FY 2026, Washington's state budget for preschool is \$307 million. This includes \$94 million for the Transition to Kindergarten program and \$213 million for the Early Childhood Education and Assistance Program.



## West Virginia

- For state FY 2026, West Virginia has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2026, West Virginia's state budget for preschool is \$90 million.



## Wisconsin

- For state FY2026, the Wisconsin budget provides \$2 million in one-time state funds to help construct a child care facility and \$2 million in one-time state funds for increasing child care access.
- For state FY 2026, Wisconsin's state budget for preschool is \$7,614,100.
  - Further breakdown shows 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 2026, Wyoming has no additional state funding for child care beyond matching or MOE funds.
- For state FY 2026, 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

CCAoA staff sent a SurveyMonkey link via email to contacts who participated in a previous version of the current study.<sup>27</sup> When email bouncebacks indicated that some of those participants were no longer employed at their former agencies, CCAoA staff used online searching to find new contacts at the agencies. If the initial or back-up contacts did not respond, CCAoA staff reached out to their network of state contacts. These emails were targeted to contacts who had expertise around state early care and education budgets or who had connections to such experts.

## Survey

The survey consisted of two questions:

1. For your State Fiscal Year 2026, how much does your state invest in child care? We are particularly interested in funding that is outside of the CCDF state match and MOE.
2. For your State Fiscal Year 2026, how much does your state invest in pre-K /preschool?

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

## Data Collection

Initial and back-up emails were sent to contacts in August 2025. Contacts who did not respond got reminder emails in September. For states that still hadn't responded by late September, CCAoA staff emailed the survey to individuals in their network of state contacts.

After each participant responded, they received an email with the data they provided, to confirm its accuracy. Data collection and confirmation were completed in November.

## Meetings

A virtual meeting was held with any respondent who requested one. CCAoA staff examined the state budget with the respondent to disentangle various funding streams. Only one state opted for a meeting.

## 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>28</sup> To calculate the per capita figure, the total state investment was divided by the total number of children under age 5.<sup>29</sup>

The per capita calculation was done only for the 37 states and Washington, D.C. that had complete data (i.e., on both child care and preschool general fund investments).

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