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# The Complex Childcare Landscape:

Public Policy Solutions for Utah

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# The Complex Childcare Landscape: Public Policy Solutions for Utah

Erin Jemison & Marin Christensen | January 6, 2022

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## Introduction

In 1971, both houses of Congress passed the Comprehensive Child Development Act, which would have implemented a national or “universal” childcare system. The bill was vetoed by President Richard M. Nixon. Half a century later, the reasons for both the Act’s passage and the veto still resonate. The former focused on early childhood development research and economic opportunity, while the latter centered on the weakening of the family and private control.<sup>1</sup>

Since then, the US has experienced economic and cultural changes. In Utah, 54% of children under age six live in families with a childcare need and thus require care from adults other than their parents.<sup>2</sup> Currently, federal programs such as Head Start and the Child Care and Development Block Grant exist to serve the most low-income families,<sup>3</sup> and eligibility has been temporarily expanded because of the COVID-19 pandemic. However, a “subsidy cliff” exists for this vulnerable population, which means that if a family in need experiences even a slight increase in household income, they may lose all or most (depending on the state) of the financial support for which they originally qualified, creating a precipitous increase in childcare costs for an already vulnerable family. According to a 2020 Utah Office of Child Care report, if a Utah family is eligible for childcare subsidies, 9% of household income goes to childcare; if they are slightly above the eligibility threshold, 34% goes to childcare.<sup>4</sup> At the same time, only 16% of income-eligible families are utilizing federal childcare subsidies.<sup>5</sup>

Overall, childcare is unaffordable for most families, and it is often more cost effective for a parent or guardian to drop out of the labor force or to choose work or a career that is not ideal. In many states, including Utah, the cost of infant care is more expensive than college tuition.<sup>6</sup> Additionally, if a family wanted to find childcare, they might discover they live in a “childcare desert.”<sup>7</sup> The U.S. Department of Health and Human Services states that childcare is unaffordable if it costs more than 7% of a family’s income. In the United States, couples are likely to spend 11% of their income on childcare, and single parents 36%.<sup>8</sup> In most states, only a small share of families can afford center-based care.<sup>9</sup>

High-quality childcare has both short-term and long-term benefits for the child’s future. For children under age 2½, appropriate caregiver-to-child ratios, as well as concentrated attention from caregivers, is crucial for safety. For those aged 2½ to 5, early education becomes paramount, which requires

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<sup>1</sup> Roth, W. (1976, December). *The politics of daycare: The Comprehensive Child Development Act of 1971*. Institute for Research on Poverty. <https://www.irp.wisc.edu/publications/dps/pdfs/dp36976.pdf>

<sup>2</sup> Utah Department of Workforce Services Office of Child Care. (2020, March). *Child care access in Utah*. <https://jobs.utah.gov/occ/ccaccess.pdf>

<sup>3</sup> Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67,438, 67,442 (codified at 45 C.F.R. pt. 98); U.S. Department of Health and Human Services Office of Head Start. (2020, November 3). *Head Start programs*. <https://www.acf.hhs.gov/ohs/about/head-start>

<sup>4</sup> Utah Department of Workforce Services Office of Child Care. (2020, March).

<sup>5</sup> Blau, F. D., & Winkler, A. E. (2017). *The economics of women, men, and work* (8th ed.). Oxford University Press.

<sup>6</sup> Economic Policy Institute. (2020, October). *Child care costs in the United States*. <https://www.epi.org/child-care-costs-in-the-united-states/>

<sup>7</sup> A childcare desert is an area in which demand or need for space in a licensed childcare program outpaces local capacity. Utah Department of Workforce Services Office of Child Care. (2020, March); Center for American Progress. (2020). *U.S. child care deserts*. <https://childcaredeserts.org/>

<sup>8</sup> Haynie, K. (2019). *The US and the high price of child care: An examination of a broken system: 2019 report*. Child Care Aware. <https://www.researchconnections.org/childcare/resources/37410>

<sup>9</sup> Gould, E., Austin, L. J. E., & Whitebook, M. (2017). *What does good child care reform look like?* Economic Policy Institute. <http://www.epi.org/publication/what-does-good-child-care-reform-look-like>

experienced educators. These quality requirements have immediate social and cognitive benefits for children as they enter elementary school; in the long term, they bolster educational and economic possibilities.<sup>10</sup> The impacts are even more pronounced for children from low-income households and/or marginalized communities, where the return on investment can be as high as 13%. In addition, studies have shown reduced criminal history, increased educational attainment, and higher salaries for adults who attended a quality childcare setting.<sup>11</sup>

These benefits also align with positive impacts to the economy. Higher quality childcare can help ensure a higher skilled workforce for generations. First, parents will have the choice to stay in their career and continuously improve their knowledge, skills, and economic gains. And second, their children can attain higher levels of development and education, potentially matching or bettering their parents' achievements. In addition, establishing a higher skilled workforce will attract businesses to Utah, which, in turn, stimulates the economy.<sup>12</sup>

Utah's business and political leaders are beginning to recognize that a key to our state's continued economic success—and to addressing growing labor shortage concerns—is ensuring that people who need or want to work have the ability to do so.<sup>13</sup> Yet, given the need for childcare addressed nationally and reported by the Utah Office of Child Care, the lack of state government investment is concerning.

Childcare is a complex industry, therefore public policy attempts to address the need for more quality, affordable childcare are also complex. This white paper elucidates the complexity and, based on an extensive review of related public policy in all 50 states, provides policy mechanisms that other states have implemented to begin to supplement federal policy. This report is organized as follows: (1) the challenges of childcare as a business, (2) state funding investment and other policy approaches (aimed toward consumers, childcare providers, and businesses, as well as land use, zoning, and development issues), (3) recommendations for Utah, and (4) an extensive appendix titled “50-State Analysis of Childcare Policies” documenting policies across the nation.

## The Challenges of Childcare as a Business

Running a childcare business means navigating necessary regulations that pertain to the safety and care of young children, such as certifications, nutritional guidelines, square footage requirements, and zoning restrictions. In addition, providers develop learning curriculum, depend on qualified early educators, and ensure adequate child-to-teacher ratios. Whereas one teacher may be able to safely work with a group of older children, infants obviously require more one-on-one attention in order to ensure safe and quality care. This increases staffing costs for childcare business owners, which are then passed on to consumers through increased rates for families. In fact, providers may also decide that they cannot afford to offer infant care at all. If providers are committed to paying their staff a living wage—or a wage commensurate with their skills and education—they price out the customer base even further. These conditions result in less accessible infant care, less affordable childcare overall, and fewer choices for working parents. Settling for less expensive childcare can mean that care is unlicensed and unregulated, often leaving those earning lower incomes (especially those just above the subsidy cliff) with fewer safe options for their children. In many cases, parents have no choice but to utilize this care in order to remain employed.<sup>14</sup>

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<sup>10</sup> Kimmel, J., & Connelly, R. (2018). US child care policy and economic impacts. In S. L. Averett, L. M. Arhys, and S. D. Hoffman (Eds.), *The Oxford handbook of women and the economy* (p. 303; pp. 303–322). Oxford University Press.

<sup>11</sup> Heckman, J. J. (2012, December 7). *Invest in early childhood development: Reduce deficits, strengthen the economy*. The Heckman Equation.

[https://heckmanequation.org/www/assets/2013/07/F\\_HeckmanDeficitPieceCUSTOM-Generic\\_052714-3-1.pdf](https://heckmanequation.org/www/assets/2013/07/F_HeckmanDeficitPieceCUSTOM-Generic_052714-3-1.pdf)

<sup>12</sup> Kimmel, J., & Connelly, R. (2018).

<sup>13</sup> Peterson, L. (2021, December 15). Gaming the system: Are Utah businesses or government to blame for labor shortage? *The Salt Lake Tribune*. <https://sltrib.pressreader.com/article/281479279716044>

<sup>14</sup> Suddath, C. (2021, November 18). *How child care became the most broken business in America*. Bloomberg Business + Equality. <https://www.bloomberg.com/news/features/2021-11-18/biden-s-build-back-better-wants-to-save-america-s-child-care-business>

A 2021 U.S. Department of the Treasury report determined the childcare sector to be in “market failure.”<sup>15</sup> Market failure occurs when a market produces too much or too little of a good or service as compared to what would be best from a societal perspective. Markets can fail because of market power disparities, external effects, and incomplete information.<sup>16</sup> Childcare is a private market where the cost for both consumers and providers (childcare business owners) is too expensive; in many states, infant care costs more than in-state college tuition, yet those who work in the industry average an annual salary of \$24,000. A typical childcare center’s profit margin is only 1%, which all but ensures the inability to profit, let alone scale their business to meet market demand. Parent demand for quality care means higher costs, which prices out customers. Additionally, liquidity constraints mean childcare consumes a significant share of incomes when parents are in the early stages of their careers and have less earning power.<sup>17</sup> Of course, this assumes parents can find preferable childcare options; years-long waiting lists are common in many parts of the country and in some parts of Utah.

Childcare challenges have increased since the COVID-19 pandemic began. Between the pandemic and Utah’s low unemployment rates, Utah childcare providers have been struggling to employ a workforce, resulting in some having to decrease the number of children they can accommodate. The result is even less accessible childcare for parents and families.

Universal preschool (provided for free by the public school system and funded by federal funds, state funds, or a combination of both) highlights the market failures of childcare and how difficult it is to find policy approaches that address the complexities of these failures. Universal, voluntary preschool may seem like a good option to address some childcare access and affordability issues by covering children ages 3 to 5, but it can lead to further struggles for private childcare providers. Their business model depends on the enrollment of older children to effectively subsidize the cost of infant care so that infant care is as attainable and affordable as possible. Universal and voluntary preschool is part of the conversation, but, according to experts, it cannot be the only policy approach to create a childcare and early education system that addresses the needs of consumers, childcare providers, and the businesses whose workforce needs are intricately tied to childcare.<sup>18</sup>

## State Funding Investment and Other Policy Approaches

This section provides context to the design of the final section of this report: “Appendix: 50-State Analysis of Childcare Policies.” All 50 states currently have an existing childcare program that is primarily funded using federal dollars through the Child Care and Development Block Grant (CCDBG), referenced above, which is granted to state government agencies to facilitate statewide childcare services for lower income families. The U.S. Department of Education also dedicates federal funding to early learning services, most of which targets low-income families and programs for children with special needs. Forty-four states, including Utah and the District of Columbia, use state funding—and often federal funding—to provide various levels of preschool and pre-K programs.

Most states have supplemented federal investments with state funds to expand or create additional childcare and pre-K opportunities; most finance preschool programs in public schools, with some funding for community-based childcare and early learning programs. In Utah, state funds are dedicated to creating a preschool program. However, that program is available to only a small number of the state’s most vulnerable children—2,448 students are currently eligible and approved to participate.<sup>19</sup> It is also important to note that in Utah, voluntary full-day kindergarten is not funded or available to all parents and

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<sup>15</sup> U.S. Department of the Treasury. (2021, September). *The economics of child care supply in the United States*. <https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf>

<sup>16</sup> Harbach, M. J. (2015). *Childcare market failure*. Utah Law Review. <https://scholarship.richmond.edu/cgi/viewcontent.cgi?article=2151&context=law-faculty-publications>

<sup>17</sup> U.S. Department of the Treasury. (2021, September).

<sup>18</sup> Tate, E. (2021, May 10). *The unintended consequences of universal preschool*. EdSurge. <https://www.edsurge.com/news/2021-05-10-the-unintended-consequences-of-universal-preschool>

<sup>19</sup> Utah School Readiness Board meeting materials. (2021, September). *Expanded student access grant overview, slide 39*. <https://jobs.utah.gov/occ/boards/schoolready/>

families who are interested. Yet, a recent local survey showed that Utahns support full-day kindergarten programming and have positive views on the benefits of pre-K education in Utah.<sup>20</sup>

This report includes preschool in the analysis of policy approaches to childcare but does not extend to kindergarten. Pre-K programs are also only included as a policy approach if they are funded, controlled, and directed by the state and are distinct from the state's system for subsidized childcare.<sup>21</sup>

State funding investments and other policies in this 50-state analysis generally aim to create, support, and/or expand a mixed-delivery system in which both the public education system and private childcare providers can better address the need for safe, quality, and affordable early care and education. These efforts or initiatives target the multiple populations impacted by childcare: *consumers* (families, parents, and guardians who need childcare), the *childcare provider or industry* (those who own and operate childcare businesses and the workforce that provides the care), and the *businesses* who depend on childcare availability and access to hire and retain employees. Other important elements include land use, zoning, and development policies. A detailed discussion of each follows.

**Consumers (Families, Parents, and Guardians):** In terms of consumers, this section will discuss state policies for families receiving federal childcare subsidies and the state-level Parent/Family Tax Credit.

State Policies for Families Receiving Federal Childcare Subsidies: States make critical policy decisions regarding distribution of CCDBG federal childcare assistance funding and determining which vulnerable families are eligible to apply for assistance. This report addresses three criteria:

1. *Income eligibility:* Federal guidelines allow states to set their own income eligibility thresholds at or below 85% of State Median Income (SMI). We identify the percent of SMI that each state set before the COVID-19 pandemic began. Most states, including Utah, increased their threshold to the full 85% maximum and received additional federal funding to support this expansion.
2. *Qualifying activities:* States determine the activities within federally established categories (e.g., employment, education), in which parents/guardians must be engaged in order to qualify to receive federal childcare assistance. A minimum level of work or job searching—plus high school, GED, postsecondary education, and training activities—is commonly allowed across states; some states delineate whether parents can qualify for assistance if they are engaged in learning English as a second language and adult basic education activities.
3. *Family co-payments:* Co-payment amounts vary according to family size, income, number of children in care, and other factors. The Appendix presents examples of the co-pay amount for families of three with annual incomes of \$15,000 and \$30,000. Many states also exempt some families from co-payments so they can access free childcare. Utah, for example, exempts very low-income families (under 100% of the Federal Poverty Guidelines) but does not exempt children under Child Protective Services, children in foster care, teen parents, or families with children with special needs.<sup>22</sup>

States can set maximum ages for children who can receive a subsidy, for other family eligibility factors, and for application and waiting list procedures. Although all should be examined when determining policy options for addressing childcare needs in Utah, they are not listed in the state-by-state Appendix of this report.

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<sup>20</sup> Voices for Utah Children. (2021, September 13). *What Utahns really think about full-day kindergarten*. <https://utahchildren.org/newsroom/speaking-of-kids-blog/item/1137-fdk-survey-2021>

<sup>21</sup> The National Institute for Early Education Research. (2021). *The state of preschool 2020: State preschool yearbook*. Rutgers Graduate School of Education. [https://nieer.org/wp-content/uploads/2021/08/YB2020\\_Full\\_Report\\_080521.pdf](https://nieer.org/wp-content/uploads/2021/08/YB2020_Full_Report_080521.pdf)

<sup>22</sup> U.S. Department of Health & Human Services, Administration for Children & Families, Office of Planning, Research & Evaluation. (2020, December). *Child care subsidies under the CCDF Program: An overview of policy differences across states and territories as of October 1, 2019*. <https://www.acf.hhs.gov/sites/default/files/documents/opre/state-2019-ccdf-policies-graphics-dec-2020.pdf>

State-Level Parent/Family Tax Credit: Some states mandate a state-level parent/family tax credit in addition to the federal Child and Dependent Care Tax Credit (CDCTC) for which parents and guardians may qualify. States fund this additional tax credit in a variety of ways in order to directly assist families in shouldering the costs of childcare.

**Childcare Providers**: State childcare policies are designed to support those who own and operate childcare businesses as well as the workforce who provide the care in those businesses. In small and home-based childcare businesses, the owner and the care provider are the same person.

State-Funded Financial Assistance for Childcare Business Owners: The Appendix outlines various approaches that states employ to provide state-funded financial assistance for childcare business owners. These are often in the form of tax credits or exemptions and/or grants or other forms of state funding to establish or expand childcare businesses. As with the families receiving federal CCDBG childcare subsidies, each state also makes policy decisions regarding childcare providers and their eligibility to benefit from this federal funding. These include reimbursement rates, how those rates are evaluated and established, whether providers are reimbursed based on enrollment or attendance, and required worker-to-child ratios dependent on child age and the size of the group. Although Utah agency rules and regulations are important to examine when determining policy options for addressing childcare needs, they are not listed in the Appendix.

State-Funded Financial Assistance for Childcare Workforce: Low wages for the childcare workforce are a persistent problem perpetuated by the childcare market failure described above and merits public policy consideration. States employ a variety of approaches and initiatives to establish and expand support for childcare providers, including scholarships for ongoing education, state-funded bonuses based on education and certification levels, and paid time for professional development activities. Some states offset providers' costs by granting income tax credits to eligible providers; some states address high costs through supplemental pay for infant care providers.<sup>23</sup>

**Businesses**: Since businesses need a skilled workforce and government officials strive to support a growing economy, both need to implement mechanisms to support those who want to work. As described, the lack of quality, affordable childcare is often a barrier for parents who want or need to work. Increasingly, businesses are establishing family-friendly policies to attract and retain employees and to enhance their work-life balance. While leave policies above the federal minimums have been the most popular, so have maintaining flexible schedules and remote work options, particularly since they have become normal during the pandemic.<sup>24</sup> However, it is important to note that leave policies, flex work, and remote work options do not negate the need nor are substitutes for affordable, quality childcare.

Family-friendly policies include childcare benefits, and various states have implemented policies that encourage and/or incentivize businesses to offer childcare benefits for employees (see Colorado and Louisiana in the Appendix for examples).<sup>25</sup> Existing federal tax credits cover only certain types of

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<sup>23</sup> McLean, C., Austin, L. J. E., Whitebook, M., & Olson, K. L. (2021). *Early childhood workforce index—2020*. Center for the Study of Child Care Employment. <https://cscce.berkeley.edu/workforce-index-2020/report-pdf/>

<sup>24</sup> El-Bawab, N. (2021, July 9). *Employers offer stipends for babysitting and tutoring to sweeten childcare benefits and win over workers*. CNBC. <https://www.cnbc.com/2021/07/09/employers-sweeten-child-care-benefits-to-win-over-workers-.html>

<sup>25</sup> Committee for Economic Development. (2021). *State tax credits for child care*. <https://www.ced.org/child-care-state-tax-credits>

businesses and are underutilized.<sup>26</sup> Businesses can also employ federal flex spending account options for childcare expenses that are similar to the popular healthcare flex spending accounts.<sup>27</sup>

While direct assistance to families is best in providing equitable access for high-quality childcare, tax-side solutions play a significant but limited role. Improved tax solutions fall short of the comprehensive childcare investments because they cannot fully address quality concerns, support early childhood educators, and increase supply in a broken market where neither parents nor providers can shoulder the full burden of cost.

**Land Use, Zoning, and Development Policies:** Land use, zoning, and development policies are generally set at the local rather than the state government level. However, some states have passed legislation to address several of the challenges childcare providers face in establishing and expanding their businesses (see Connecticut and Michigan for examples). The Appendix includes a few municipality policies within their respective states to highlight examples of policy approaches for encouraging the development of childcare. Some municipalities have reimagined development loans to include the extension of childcare as a required social good so that as growth occurs, childcare can match its pace. According to our research, other localities have also implemented development impact fees on new commercial and residential developments to compensate for the increased strain placed on public facilities after a community's new growth. Impact fees most commonly support roads, water and sewer systems, law enforcement, parks, libraries, and schools, but some communities have imposed impact fees to support new childcare facilities to accommodate new families and employees.<sup>28</sup> Similarly, childcare linkage fees address the increased demand for childcare triggered by the development of commercial projects.<sup>29</sup> States could incentivize housing developers to include childcare space in their new developments and to subsidize rents for childcare businesses. Doing so could create affordable, accessible, quality childcare for families by subsidizing land for childcare businesses.

## Recommendations for Utah

Ideally, childcare would be a robust mixed-delivery system that prioritizes parent choice regarding whether to rely on care, then whether the type and setting of care best meets a family's needs (e.g., schools, faith-based organizations, large centers, and family or home-based care). Considering the complexity of the childcare issue, along with the detailed analysis of policies implemented by other states (see Appendix), we propose the following recommendations for Utah:

### 1. EXPAND SUPPORT FOR CHILDCARE BUSINESS OWNERS.

Many policy decisions regarding how federal CCDBG funding could be used to support childcare changed as the COVID-19 pandemic began and working families and the childcare sector faced

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<sup>26</sup> National Women's Law Center. (2018, March). *Fact sheet: Employer child care tax credits are ineffective at all levels*. <https://nwlc.org/wp-content/uploads/2018/03/Employer-Child-Care-Tax-Credit.pdf>; Smith, L., et. al. (2021, June 28). *What is the employer-provided child care credit?* Bipartisan Policy Center. <https://bipartisanpolicy.org/blog/what-is-the-employer-provided-child-care-credit-45f/>

<sup>27</sup> Society for Human Resource Management. (2021, April 22). *Understanding Section 125 cafeteria plans*. <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/understanding-section-125-cafeteria-plans.aspx>

<sup>28</sup> Byron, B. (2005, October 15). City OKs fee to fund child care. *The Desert Sun*. [http://www.impactfees.com/pdfs\\_all/City%20OKs%20fee%20to%20fund%20child%20care.pdf](http://www.impactfees.com/pdfs_all/City%20OKs%20fee%20to%20fund%20child%20care.pdf); San Francisco Planning. (2020, December 1). *San Francisco citywide development impact fee register*. [https://forms.sfplanning.org/Impact\\_Fee\\_Schedule.pdf](https://forms.sfplanning.org/Impact_Fee_Schedule.pdf); City of South San Francisco. (n.d.). *Annual impact fee and sewer capacity charge report for the City of South San Francisco for fiscal year 2009/10*. <https://www.ssf.net/home/showpublisheddocument?id=1981>; City of San Mateo. (n.d.) *Mitigation fee Act reports*. <https://www.cityofsanmateo.org/4162/Mitigation-Fee-Act-Reports>

<sup>29</sup> City of Santa Monica. (2016, June 30). *Child care linkage fee*. [https://healthyplacesindex.org/wp-content/uploads/2018/02/santa\\_monica\\_child\\_care\\_linkage\\_fee.pdf](https://healthyplacesindex.org/wp-content/uploads/2018/02/santa_monica_child_care_linkage_fee.pdf); Keyser Marston Associates. (2005, November). *Child care linkage program (prepared for the City of Santa Monica)*. <https://www.smgov.net/departments/council/agendas/2006/20060411/2006041105-A-3.pdf>

challenges. For example, ratio requirements were relaxed in very specific circumstances where safety was not compromised, some states changed their reimbursement method to match enrollment rather than attendance since many children were absent due to quarantine protocols, and others—including Utah—changed their income threshold to match the federal maximum, allowing more families to be eligible for childcare financial assistance. Utah policymakers would be well served to examine the changes made through the Utah Office of Child Care and consider making permanent those that helped the state improve childcare access and affordability.

Recommendations are as follows:

- a. Analyze rate-setting methodology to ensure that providers who care for subsidy-eligible children are being reimbursed with federal dollars at the level it actually costs them to provide care, rather than current market rate.
- b. Continue the policy change that Utah implemented because of COVID-19 that allows providers to be reimbursed with federal dollars for every enrolled subsidy-eligible child even if they are occasionally absent, since providers incur costs based on anticipated enrollment, not day-to-day attendance.
- c. Decrease regulatory barriers for home-based/family childcare providers while ensuring that safety is not compromised.
- d. Direct state funding to establish a package of financial supports intended to keep existing childcare programs viable and to mitigate market failure conditions.

## 2. PREPARE AN EDUCATED CHILDCARE WORKFORCE.

The following recommendations assume that when qualified childcare professionals have good working conditions and are well paid, the resulting high-quality childcare will provide safer and more enriching settings for children:

- a. Establish consistent higher education and certificate standards that are paired with pay standards. Pay increases should be supported with public investment to avoid further cost burdens on providers and families.
- b. Establish work environment standards to ensure those caring for Utah's children are safe and supported .
- c. Partner with institutions of higher learning to establish and strengthen formal career pathways and programs for early childhood educators.
- d. Invest in pay parity for preschool teachers who have substantially similar education and qualifications as their K–12 public teachers peers. Wage increases should be simultaneously accompanied with increased public investment in preschool or pre-K programs for all families who need or want this option.

## 3. HELP CHILDCARE CONSUMERS (PARENT, FAMILY, GUARDIAN).

The lack of affordable, quality childcare leaves many parents without choices, particularly if they want to start or continue to grow a family while remaining in the workforce. It is important to note that parents may also choose childcare options to spend quality time with younger children or to ensure children have opportunities to socialize with peers. Recommendations are as follows:

- a. Create a state-level childcare tax credit or deduction.
- b. Increase the income eligibility threshold for families to qualify for federal subsidies or make permanent the COVID-19 eligibility expansions (i.e., state funding required to supplement current federal funding for these most vulnerable families).
- c. Allocate state funding to increase outreach and ensure that every low-income family who is eligible for federal financial childcare assistance is aware of, and supported in accessing, this resource.



- d. Decrease co-payment amounts and include more Utah families in co-payment exemptions for those receiving federal subsidies (i.e., state funding required to supplement current federal funding for these most vulnerable families).
4. INCREASE SUPPORT FOR EMPLOYERS.
    - a. Implement tax credits for businesses that offer various types of childcare benefits, including subsidizing the cost of an employee's childcare of choice or offering near-site or on-site childcare (see Appendix for examples from other states, especially Louisiana).
    - b. Implement tax credits for businesses that donate to childcare providers (see the related Colorado policy in the Appendix).
  5. PASS LAND USE POLICIES.
    - a. Mandate the inclusion of childcare needs as part of local planning policies.
    - b. Offer incentives to developers to provide space for childcare in various types of projects, including residential, office, mixed-use, and commercial.

## Conclusion

Childcare is a vital part of our state's social and economic infrastructure and is increasingly critical for working parents and municipalities. The COVID-19 pandemic has underscored that families and our economy depend on a strong, supported, and funded childcare sector.<sup>30</sup> Strengthening this sector requires state-level policies that complement and expand federal funding and policy approaches, as well as innovative policies that continue to address the market failures of the childcare industry. The purpose of this report is to provide information, based on an extensive 50-state public policy analysis, that can help Utah decision makers better understand options as they craft Utah's future.

Currently, whether Utahns are supportive or not, it is important to note that overarching federal policies are being considered through the Build Back Better package.<sup>31</sup> The childcare proposals include funding to ensure, at most, that no family is paying more than 7% of their income on childcare. In this package, the cost of childcare would be on a sliding scale, with the most low-income families paying nothing. The plan also includes investment in ensuring quality through appropriate curriculum, small class sizes, inclusivity, professional development, and paying childcare providers and staff a living wage with benefits.

Utah policymakers are also beginning to examine and address the shortage of affordable childcare, including proposed legislation in the 2022 Utah Legislature's General Session<sup>32</sup> and beyond. Legislative and other policymaking attention is needed in Utah to address an issue that increasingly impacts the economic viability of families, childcare business owners and their workforce, and the broader business community and economy of our state.

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<sup>30</sup> Christensen, M., & Madsen, S. R. (2021, May 5). *The impact of COVID-19 on Utah women and work: Career advancement challenges*. Utah Women & Leadership Project. <https://www.usu.edu/uwlp/files/briefs/32-covid-19-career-advancement-challenges.pdf>; Hartwell, C., Hansen, J., & Madsen, S. R. (2021, June 2). *The impact of COVID-19 on Utah women and work: Childcare and homeschooling*. Utah Women & Leadership Project. <https://www.usu.edu/uwlp/files/briefs/33-covid-19-childcare-homeschooling.pdf>; Christensen, M., & Madsen, S. R. (2021, July 14). *The impact of COVID-19 on Utah women and work: Caregiver experiences*. Utah Women & Leadership Project. <https://www.usu.edu/uwlp/files/briefs/35-covid-19-caregiver-experiences.pdf>

<sup>31</sup> The White House. (2021, October 28). *Build Back Better framework*. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/10/28/build-back-better-framework/>

<sup>32</sup> H.B. 15, 2022 General Session. (Utah 2022). <https://le.utah.gov/~2022/bills/static/HB0015.html>

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## Appendix: 50–State Analysis of Childcare Policies<sup>1</sup>

### –FEDERAL –

<p><b>Federal Funding for Childcare</b></p>	<p>The <u>Child Care and Development Fund (CCDF)</u> (<i>45 CFR § 98</i>) is the primary federal funding source for child care subsidies to help eligible low-income working families access child care and to improve the quality of child care for all children (see next section for eligibility details). The <u>Child Care Development Block Grant Act (CCDBG, 42 U.S.C. § 618)</u> authorizes the CCDF program, a block grant to state, territory, and tribal governments that provides support for children and their families with paying for child care that will fit their needs and that will prepare children to succeed in school. The program supports parents in choosing from a range of provider settings and types, including centers, family child care homes, relatives, and faith-based providers. Parents may select a participating child care provider that satisfies applicable state and local requirements, including health and safety requirements.</p> <p>CCDF is administered by the federal Office of Child Care, an office of the Administration for Children &amp; Families (ACF) within the U.S. Department of Health &amp; Human Services (HHS).</p>
<p><b>Federal Childcare Subsidies Policies</b></p>	<p><u>In setting up their CCDF programs, states must comply with federal guidelines</u>, including (but not limited to): establishing income eligibility limits; setting the maximum age for children receiving a subsidy at under 13 years of age, or under age 19 if children have special needs; and defining the activities that qualify a family for assistance within the federally-allowed categories. <b>Therefore, the requirements that states set within federal guidelines are critical policy decisions:</b></p> <p><u>Income Eligibility (% SMI)</u> – states must set income eligibility at or below 85% of state median income (SMI). Although many states raised their limit to 85% during the COVID-19 pandemic, initial eligibility thresholds for a family of three had ranged from \$1,423 to \$5,802 per month.</p> <p><u>Qualifying Activities</u> – each state defines approved activities in which parents and guardians must participate in order to qualify for federal CCDF childcare subsidies. In every state these include employment, and most states include education and training, including high school, GED, and post-secondary education. Most states also consider job search to be a qualifying activity.</p> <p><u>Monthly Co-Pay Rates and Exemptions</u> – each state sets its own policies for family payments or copayments (co-pay) and these vary by family size, income, number of children in care, and other factors depending on the state. Many states exempt at least some families from paying any copayment, depending on factors such as a child under Child Protective Services (CPS), in foster care, and/or families with income under 100% of the Federal Poverty Guidelines.</p>

<sup>1</sup> Because the funding is temporary, information about state policies and programs in this report does not include additional availability or changes due to federal COVID relief funding.

<p><b>Federal Parent / Family Childcare Tax Credit</b></p>	<p>Parents/guardians may qualify for the federal <u>Child and Dependent Care Tax Credit (CDCTC)</u> in order to reduce their costs of childcare. The child must be under age 13 when the care is provided and the parent/guardian must be employed, seeking employment, or attending school. The credit is calculated based on income and a percentage of expenses incurred for childcare. <i>26 U.S. Code § 21</i></p> <p>For 2021, the <u>American Rescue Plan Act of 2021</u> made the credit substantially <u>more generous</u> (from up to \$600 for one qualifying person to up to \$4,000 and from up to \$1,200 for two or more qualifying persons to up to \$8,000) and potentially refundable, where parents/guardians may receive the credit even if they do not owe any federal taxes. This means more taxpayers will be eligible for the credit for the first time and, for many taxpayers, the amount of the credit will be larger than in prior years. However, taxpayers with an adjusted gross income over \$438,000 are not eligible for this credit even though they may have previously been able to claim this credit.</p> <p>The federal <u>Child Tax Credit</u> and <u>Earned Income Tax Credit (EITC)</u> also allow households with children to reduce their federal income tax liability depending on income levels, but these programs do not specifically apply to childcare expenses.</p>
<p><b>Federal Financial Assistance for Childcare Workforce</b></p>	<p>Financial assistance for the childcare workforce was only found in state statute.</p>
<p><b>Federal Financial Assistance for Childcare Business Owners</b></p>	<p><u>The CCDF program includes extensive policies related to childcare providers.</u> These policies operate within the context of a State’s/Territory’s broader policies concerning childcare licensing and regulation. However, some policies related to providers are specific to the CCDF program. These include the maximum reimbursement rates that are paid by the State/Territory for CCDF-subsidized care. Setting these reimbursement rates is therefore a critical state-level policy decision. However, CCDF does not provide any direct financial assistance beyond these reimbursements to childcare business owners.</p>
<p><b>Federal Employer Tax Credit</b></p>	<p><u>Employer-Provided Childcare Credit</u> - Supports employers in offering assistance with a tax credit that helps offset some of the associated costs. This credit offers employers a tax credit of up to 25% of qualified childcare expenditures and 10% of qualified child care resource and referral expenditures. The credit is capped at \$150,000, meaning employers would have to spend around \$430,000 to receive the full credit. <i>26 U.S.C. § 45F</i></p> <p><u>Exclusion for employer-provided dependent care assistance (DCAP) from an employee’s gross income</u> - A DCAP, or a dependent care FSA, is an employer-sponsored benefit plan that allows employees to pay for certain dependent care expenses on a tax-free basis, up to a specified limit. In most cases, DCAPs are funded by employees with pre-tax dollars through payroll deductions. <i>26 U.S.C. § 129</i></p>

	<p><u>Business Expenses</u> - A federal tax deduction where amounts paid by an employer to provide a childcare service for employees may be deductible as ordinary business expenses under <i>IRC Section 162</i>.</p> <p><u>Capital Expenses</u> - A federal tax deduction for costs incurred for acquiring, constructing, and/or remodeling a building to be used as a childcare center.</p> <p><u>Start-Up Expenses</u>- A federal tax deduction for costs incurred in the development of a new childcare center, which may be amortized over 60 months or more under <i>IRC Section 195</i>.</p>
<b>Land Use, Zoning, and Development Policies</b>	Land use, zoning, and development policies are generally determined at the local and state level.

**- ALABAMA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p>Alabama has a state-level pre-K program called <u>First Class Pre-K: Alabama's Voluntary Pre-Kindergarten Program</u>. Its goal is to reach 70% of all 4-year-olds by 2023 (currently funded to reach 38% after a \$6 million increase in pre-K funding during the 2020 legislative session). The program is voluntary, available in all counties/parishes, and administered by the Alabama Department of Early Childhood Education.</p> <p>Alabama also invests state funding in the governor's Strong Start, Strong Finish education initiative to support a comprehensive approach of collaboration to improve education from pre-k to the workforce.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 46%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – Not Eligible</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and Families w/ Income under 100% of Federal Poverty Guidelines</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships are provided for bachelor, associate, and child development associate degrees, and bonuses are available for reaching certain education levels.</p> <p>Alabama requires the same starting salary and salary schedule for teachers in state-funded pre-K programs as for teachers in K-12.</p>
<b>State-Funded Financial Assistance for</b>	None identified at this time.

<b>Childcare Business Owners</b>	
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- ALASKA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	Alaska has a state-level pre-K program called <u>Alaska Pre-Elementary Program</u> . It began as a pilot project in the 2011-2012 school year and is now a program administered by the Alaska Department of Education & Early Development, providing funding directly to pre-elementary schools operated by a school district or a Head Start agency, and is available in 25 out of 54 school districts (46% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 74%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – None</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and child development associates.</p> <p>Centers provide paid time when in professional development, paid planning and/or prep time, and have a salary schedule/benefit (centers only, not applicable to home-based providers).</p> <p>Alaska requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers and includes earmarks for salaries in public funding.</p>
<b>State-Funded Financial Assistance for</b>	None identified at this time.

<b>Childcare Business Owners</b>	
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- ARIZONA -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>*First Things First (FTF)</u> – First Things First is Arizona’s voter-created, statewide organization that funds early education, committed to the healthy development and learning of young children from birth to age five. Arizona’s FTF precursor—a regional capacity building effort—began with seed funding by a foundation and sustaining funding came through the public sector with foundations aligning their funding in support. Public funding currently comes through a voter-enacted tax on tobacco products. The amount of money allocated to each FTF regional partnership council is based on the number of children aged 0-5 in their community, with extra consideration given for children living in poverty. Each regional partnership council, composed of local volunteers, studies the unique needs of its community and decides how funds will be used to best support its young children and families. Preschool is available in 24 out of the 28 regional partnership councils (86% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 57% <u>Qualifying Activities</u> – Employment, job search, high school, and GED <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – US\$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – CPS Cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<u>First Thing First College Scholarship for Early Childhood Professionals</u> - Is an expanded scholarship to help early educators earn bachelor’s degrees. Scholarships are provided for bachelors, associates, and child development associates. The First Things First program also has a Professional REWARDS\$ component which offers a cash bonus to support early childhood professionals. The REWARDS\$ funds can be used however the recipient chooses and bonuses range from \$500-\$2,000 as the professional moves through the Career Lattice levels.

<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- ARKANSAS -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Arkansas Better Chance for School Success (ABC) program</u> - Established as part of a statewide education reform initiative in 1991 to provide early education services for children aged 3-5 whose family's gross income does not exceed 200% of the Federal Poverty Level. ABC was initially funded through a dedicated sales tax and, between 2001 and 2007, an excise tax on packaged beer provided additional funding. 40% of the program's overall financial support must be local contributions (either in-kind or monetary); however, the program does receive some federal funding as well. ABC is available in 74 out of 75 counties (99% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 83% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$1-\$100 <u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and teen parents
<b>State-Level Parent / Family Tax Credit</b>	20% of the federal child and dependent care tax credit are refundable. § 26-51-502
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for associates and child development associates, but not bachelors. Centers provide paid planning and/or prep time, and have a salary schedule/benefits (centers only, not home-based and no paid professional development time even in centers). Bonus for financial relief - T.E.A.C.H. Early Childhood® Scholarship Program, \$700.



	The ABC program offers its pre-K teachers funding for professional development, such as pursuing college degrees.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<p><u>Employer-provided Childcare</u> - A business which qualifies for the exemption from the gross receipts tax under former § 26-52-401(29) shall be allowed an income tax credit of 3.9% of the annual salary of employees employed exclusively in providing childcare services. § 26-51-507</p> <p><u>Employer-provided Childcare</u> - This tax incentive allows an income tax credit of 3.9% of the annual salary of personnel employed exclusively for providing childcare services to the business's employees, or a \$5,000 income tax credit for the first tax year the business provides its employees with a childcare facility. The credit is first available for use in the taxable year following the year the business makes payment of wages to childcare workers. Any unused credit may be carried forward two (2) years. To be eligible, the company must obtain a certification from the Arkansas Department of Education qualifying the facility as having an appropriate early childhood program. § 26-51-508</p> <p><u>Employer-sponsored Childcare</u> - A business which operates, or contracts for the operation of, a childcare facility for the primary purpose of providing childcare services to its employees may obtain a refund of the gross receipts tax paid on the purchase of construction materials and furnishings used in the initial construction and equipping of the childcare facility after the facility is licensed pursuant to the childcare Facility Licensing Act, § 20-78-201 et seq., and is certified as having an appropriate early childhood program pursuant to § 6-45-109. § 26-52-516</p> <p><u>Employer-sponsored Childcare</u> - A business which operates, or contracts for the operation of, a childcare facility for the primary purpose of providing childcare services to its employees may obtain a refund of the compensating use tax paid on the purchase of construction materials and furnishings used in the initial construction and equipping of the childcare facility after the facility is licensed pursuant to the Childcare Facility Licensing Act, § 20-78-201 et seq. § 26-53-132</p>
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- CALIFORNIA -**

<b>Dedicated State Funding for Childcare (Includes State-</b>	<u>California State Preschool Program (CSPP)</u> - CSPP is a state-funded program which offers full- or part-day developmentally appropriate preschool/pre-K instruction for eligible children aged 3-4. The program is administered through
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<p><b>Funded Preschool/Pre-K Programs)</b></p>	<p>local educational agencies, colleges, community-action agencies, and private nonprofit agencies and is available in 57 out of 58 counties, (98% of the state).</p> <p><u>California Transitional Kindergarten (TK) Program</u> - California public schools (and some non-public schools) offer optional Transitional Kindergarten for children age 5 in every county in the state. This program is free to attend as it is part of California’s K-12 public school system and funded through the state’s Average Daily Attendance (ADA) funds (California’s per pupil public school funding policy).</p> <p><u>Local Planning Councils (LPCs)</u> - Supports the overall coordination of childcare services in each of the 58 counties. The LPCs are mandated to conduct assessments of county childcare needs and prepare plans to address identified needs. These assessments must contain information on the supply and demand for childcare, including the need for both subsidized and nonsubsidized care. <i>Education Code, Chapter 2.3, Article 1, Section 8499 and Article 2, Sections 8499.3, 8499.5 and 8499.7</i></p> <p>The Early Childhood Development Act of 2020 (<i>Senate Bill (SV) 98, Chapter 24, Statutes of 2020</i>) authorized the transfer of many childcare programs from the California Department of Education (CDE) to the California Department of Social Services (CDSS) effective July 1, 2021. This aligns all childcare programs within a single department.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 85%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, and training</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – None</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p>For families with adjusted gross income less than \$100,000, the dependent care tax credit is 50% of the federal Child and Dependent Care Tax Credit (CDCTC) for taxpayers earning up to \$40,000; 43% of the federal CDCTC for taxpayers earning between \$40,001 and \$70,000; and 34% of the federal CDCTC for taxpayers earning between \$70,000 and \$100,000. <i>18 CCR § 17052.6</i></p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p><u>Building a Better Early Care and Education System Act (AB 378)</u>, - Allows self-employed childcare providers and family, friend, and neighbor providers who are receiving CCDBG subsidies for the families they serve, to be considered employees of the state for purposes of collective bargaining, so they can bargain with the state over wages and benefits.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>

<p><b>State-Level Employer Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State/Local Land Use, Zoning, and Development Policies</b></p>	<p>Cities and counties must treat licensed small and large family childcare homes like all other residential homes.</p> <p>(A) If you live in an area that allows for any type of residential home, your local government cannot create special rules that apply only to family childcare homes. For example, your city or county cannot require that you get a zoning permit or business license only because you are a licensed family childcare provider.</p> <p>(B) The law says small and large family childcare homes must, "...be considered a residential use of property and a use by right for the purposes of all local ordinances, including, but not limited to, zoning ordinances."</p> <p><u>Development Impact Fees</u> - Based on the 1987 California Mitigation Impact Fee Act, local agencies in California can impose one-time fees on new developments to finance public infrastructure, including childcare. The childcare development impact fees collected from new commercial and residential developments are used to extend loans and grants to construct, rehabilitate, purchase, or lease childcare facilities.</p> <p>Development impact fees vary by locality. For example, San Mateo collects a development impact fee of \$1.08 per square foot on commercial developments that exceed 10,000 square feet. This fee applies to new developments, expansion of existing commercial developments, and commercial tenant improvements. Over \$2 million from these impact fees were recently offered, as forgivable loans, to community programs to create new childcare spaces.</p> <p><u>Childcare Linkage Fee</u> - This fee is collected to address the increased demand for childcare triggered by the development of commercial projects. As of June 2016, the balance on hand for this fee totaled \$2.5 million. Childcare Linkage Fee funds and General Fund dollars go towards the construction of the Early Childhood Lab School (ECLS), formerly the Early Childhood Education Center (ECEC).</p> <p>In 2006, ordinance Chapter 9.65 of the Santa Monica Municipal Code (SMMC) was adopted to establish a childcare linkage fee program.</p> <p>Developers can satisfy the ordinance requirements by either paying a fee or by agreeing to participate in the construction or establishment of one or more childcare facilities. Fees are computed annually, increasing by a percentage equal to the Construction Cost Index as published by Engineering News Record. Childcare linkage fees are paid by the final inspection date and prior to the issuance of the Certificate of Occupancy.</p> <p><u>*The Early Childhood Lab School (ECLS)</u> - A joint Capital Improvement Project (CIP) of the City of Santa Monica and Santa Monica College (SMC), provides childcare and early education services for up to 110 young children, and is scheduled to break ground in the Civic Center by summer 2017 following permit issuance by the Department of State Architecture. The ECLS</p>

	as the kind of candidate project that is eligible for the disbursement of funds from the Childcare Linkage Reserve Account.
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**- COLORADO -**

<p><b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b></p>	<p><u>Colorado Preschool Program (CPP)</u> – The Colorado Preschool Program is a state-funded early childhood education program administered by the Colorado Department of Education. Children who are eligible for CPP have the opportunity to attend half-day or full-day preschool/pre-K or full-day kindergarten at a reduced cost and the program is available in 176 out of 179 school districts (98% of the state). In 2020, Coloradans approved a ballot initiative to increase the tax on tobacco and create a new tax on nicotine vaping products to fund universal pre-K throughout the state.</p> <p>Colorado also recently increased state funding supporting the <u>Colorado Child Care Assistance Program (CCCAP)</u>, which supports access to quality early care and education for working families. This \$5.6 million increase in CCCAP included an annualized amount of \$2.8 million state General Fund and \$2.8 million required local match county funds.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 61%</p> <p><u>Qualifying Activities</u> – Job search, high school, GED, post-secondary education, English as a Second Language, training, adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-300</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases, foster families, teen parents</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p>Colorado has a refundable childcare tax credit.</p> <p><u>Parent Childcare Tax Credit</u> – For families with adjusted gross income less than \$60,000; 50% of the federal Child and Dependent Care Tax Credit (CDCTC) for taxpayers with income up to \$25,000; 30% of the federal CDCTC for taxpayers earning between \$25,000 and \$35,000; and 10% of the federal CDCTC for taxpayers earning between \$35,000 and \$60,000. § 39-22-119</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p><u>Early Educator Tax Credit</u> – For income tax years commencing on or after January 1, 2020, but before January 1, 2025, an eligible early childhood educator is allowed a credit against the taxes:</p> <p>The amount of the credit:</p> <p>(A) Early childhood professional I equals \$500;</p> <p>(B) Early childhood professional II equals \$750;</p> <p>(C) Early childhood professional III equals \$1,000; and</p> <p>(D) Early childhood professional IV, early childhood professional V, and early childhood professional VI equals \$500. § 39-22-542</p>

	<p>Childcare centers also provide paid time for professional development, paid planning and/or prep time, and have a salary and benefits schedule.</p> <p>Financial bonus is also available for continuing professional development (\$75-\$625).</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p><u>Employer Childcare Credit</u> – This credit allows for investment in tangible personal property to be used in a childcare center or family care home. For tax years beginning on or after January 1, 1992, a Colorado income tax credit is allowed in an amount equal to 20% of the taxpayer's expenditure made during the income tax year for the purchase of qualifying tangible personal property to be used in the operation of a childcare center or a family care home which is licensed pursuant to section 26-6-106. § 39-22-517</p> <p>Colorado also leads the nation in providing a tax-advantaged tool for childcare through the Childcare Contribution Tax Credit (CCTC). CCTC enables qualified childcare providers and intermediary organizations to receive financial donations directly from individuals and businesses. These funds can be used by the childcare program in a number of ways, including purchase enrichment materials; send staff to professional development; establish or operate a childcare facility; grant or loan programs for parents; training programs for childcare providers; information dissemination programs that assist parents with childcare information and referral services.</p> <p><u>Childcare Contribution Tax Credit</u> – Any taxpayer that makes a qualifying monetary contribution to promote childcare in Colorado may claim an income tax credit of 50% of the total value of the qualifying contribution. Limited to \$100,000 per taxpayer. § 39-22-121</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p><u>Employer Childcare Credit</u> – This credit incentivizes the provision of childcare services, or the payment of the costs associated with childcare services for children of employees receiving public assistance. The credit can also be claimed against the provision of health or dental insurance for employees receiving public assistance, which health or dental insurance coverage, if less than the coverage provided through Medicaid, shall be supplemented by Medicaid to provide full Medicaid benefits to the employee; the provision of job training or basic education of employees receiving public assistance; and the provision of a transportation program to and from work. § 39-22-521</p>
<p><b>State / Local Land Use, Zoning, and Development Policies</b></p>	<p><u>Employer Childcare Credit</u> – Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is used as an integral part of a childcare center:</p> <ul style="list-style-type: none"> <li>(a) Which is licensed pursuant to article 6 of title 26, C.R.S.</li> <li>(b) Which is maintained for the whole or part of a day for the care of five or more children who are not sixteen years of age or older</li> <li>(c) Which is not owned or operated for private gain or corporate profit</li> <li>(d) The costs of operation of which, including salaries, are reasonable based upon the services and facilities provided and as compared with the costs of operation of any comparable public institution</li> </ul>

	(e) Which provides its services to an indefinite number of persons free of charge or at reduced rates equal to 5% of the gross revenues of such childcare center or equal to 10% of the amount of tuition charged by such childcare center to the financially needy or charges on the basis of ability to pay. § 39-3-110
<b>Other State Policy Approaches</b>	* <u>Colorado Early Childhood Councils</u> - State laws passed in support of several public-private partnerships, including Colorado’s Early Childhood Councils. These are local councils that allocate state public money to support improvements in the quality, access, and equity of services in early learning; family support and parent education; social, emotional, and mental health; and health.

**- CONNECTICUT -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Connecticut Child Day Care Contracts (CDCC)</u> - The Connecticut Office of Early Childhood (OEC) contracts with child day care programs to allow access for low-income families. These programs include full time childcare for infants, toddlers, and preschoolers along with limited part-time/wraparound care for these ages. They also provide before- and after-school care as well as summer care for school aged children. To be considered for a contract child day care, programs must be open at least 10 hours a day. CDCC is funded through the Connecticut Office of Early Childhood (OEC) and is available in 48 out of 169 towns/communities (28% of the state). For the last 40 years, funding for CDCC has come through a purchase-of-service contracting system and is part of the state budget.</p> <p><u>Connecticut School Readiness (SR)</u> - School Readiness was founded to expand accessibility to early childhood programs for 3-4 year-olds. It is available to 21 Priority School Readiness districts and 46 Competitive School Readiness municipalities. This ends up being available in 67 out of 169 towns/communities (40% of the state). This program is funded as part of the state budget for Early Care and Education.</p> <p><u>Connecticut Smart Start</u> - Smart Start was created to expand publicly funded pre-K for 3-4-year-olds in public school settings. It is available in 24 out of 169 towns/communities (14% of the state). Funding for this process is distributed to local/regional boards of education through a grant process and is part of the state budget.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 50%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, and GED</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – Foster families</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.

<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p>Scholarships provided for bachelors, associates, and child development associates (CDA). \$500 bonus for family childcare providers who earn their CDA.</p> <p>Connecticut has authorized collective bargaining among home-based childcare providers.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p><u>Tax Credit for Human Capital Investment</u> -(A) For purposes of this section, “human capital investment” means the amount paid or incurred by a corporation on (1) job training which occurs in this state for persons who are employed in this state; (2) work education programs in this state including, but not limited to, programs in public high schools and work education-diversified occupations programs in this state; (3) worker training and education for persons who are employed in this state provided by institutions of higher education in this state; (4) donations or capital contributions to institutions of higher education in this state for improvements or advancements of technology, including physical plant improvements; (5) planning, site preparation, construction, renovation or acquisition of facilities in this state for the purpose of establishing a day care facility in this state to be used primarily by the children of employees who are employed in this state; (6) subsidies to employees who are employed in this state for childcare to be provided in this state; and (7) contributions made to the Individual Development Account Reserve Fund, as defined in section 31-51ww.</p> <p>(B) There shall be allowed a credit for any corporation in an amount spent by such corporation, as a human capital investment as follows: For any income year commencing on or after January 1, 1998, and prior to January 1, 1999, equal to 3% of such amount paid or incurred by the corporation during such income year; for any income year commencing on or after January 1, 1999, and prior to January 1, 2000, equal to 4% of such amount paid or incurred by the corporation during such income year; and for any income year commencing on or after January 1, 2000, equal to 5% of such amount paid or incurred by the corporation during such income year.</p> <p>The credit is not refundable but can be carried forward. § 12-217x</p> <p><u>Employer Childcare Tax Credit</u> - The Commissioner of Revenue Services shall grant a credit against any tax due under the provisions of chapter 207, 208, 209, 210, 211 or 212 in an amount not to exceed 60% of the total cash amount invested during the taxable year by the business firm in programs operated or created pursuant to proposals approved pursuant to section 12-632 for planning, site preparation, construction, renovation or acquisition of facilities for purposes of establishing a child day care facility to be used primarily by the children of such business firm’s employees and equipment installed for such facility, including kitchen appliances, to the extent that such equipment or appliances are necessary in the use of such facility for purposes of child day</p>

	care, provided: (1) Such facility is operated under the authority of a license issued by the Commissioner of Public Health in accordance with sections 19a-77 to 19a-87, inclusive, (2) such facility is operated without profit by such business firm related to any charges imposed for the use of such facility for purposes of child day care, and (3) the amount of tax credit allowed any business firm under the provisions of this section for any income year may not exceed \$50,000. If two or more business firms share in the cost of establishing such a facility for the children of their employees, each such taxpayer shall be allowed such credit in relation to the respective share, paid or incurred by such taxpayer, of the total expenditures for the facility in such income year. The commissioner shall not grant a credit pursuant to this section to any taxpayer claiming a credit for the same year pursuant to section 12-217x. § 12-634
<b>State/Local Land Use, Zoning, and Development Policies</b>	Connecticut statute mandates that licensed family childcare homes shall not be subject to any conditions on the operation of such homes by local officials, other than those imposed by the licensing agency. § Sec. 19a-87b. (Formerly Sec. 17-585(b)-(d))

**- DELAWARE -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Delaware Early Childhood Assistance Program (ECAP)</u> - The Early Childhood Assistance Program seeks to provide comprehensive preschool services for 3-4 year-olds. The program focuses on education in seven main areas: language, literacy, social-emotion, physical development, health nutrition, and mental wellness. EACP is available in all 3 counties in the state (100% of the state) and is funded through the Department of Education.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 50% <u>Qualifying Activities</u> – Employment, job search, high school, and GED <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300 <u>Families Exempted from Co-Pay</u> – CPS cases and teen parents
<b>State-Level Parent / Family Tax Credit</b>	50% of the federal Child and Dependent Care Tax Credit (CDCTC), not refundable. <i>Delaware Code Title 30. State Taxes § 1114</i>
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors, associates and CDA. Centers and home-based both provide paid time for planning and/or prep but not professional development. Both have salary schedules/benefits. Delaware requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers. <u>Delaware Childcare WAGES Program</u> - (stipend) \$200-\$5,000 <u>T.E.A.C.H. Early Childhood® Scholarship Program</u> - (bonus) \$150-\$700



<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- FLORIDA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Florida Voluntary Prekindergarten Program</u> - The Voluntary Prekindergarten Program is offered for free to all 4 year-olds. This program is available in all 67 counties in Florida. The program is funded through the Agency for Workforce Innovation. The state legislature invested an additional \$9.9 million in pre-K for the 2021-2022 school years.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 53% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – CPS cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors, associates, and CDA. <u>T.E.A.C.H.</u> - \$300-\$900 \$3 million appropriated for statewide professional development to improve childcare instructor quality (T.E.A.C.H. Early Childhood® Scholarship Program). \$10 million in funding for T.E.A.C.H.
<b>State-Funded Financial Assistance for</b>	None identified at this time.

<b>Childcare Business Owners</b>	
<b>State-Level Employer Tax Credit</b>	* <u>Florida Childcare Executive Partnership (CCEP)</u> - public-private partnership that helps employers address the needs of a growing segment of their workforce, working parents. Through this partnership, federal and state funding is matched with contributions from local governments, charitable foundations, and private businesses on a dollar-for-dollar basis to provide early education and care services to participating families. This matching strategy effectively doubles the funding available for early education and care subsidies for Florida's working families. Through this program, Florida supplements and extends the use of existing public and private funds for direct early education and care services. The Florida CCEP program operates under the statutory authority of <i>Section 1002.94, Florida Statutes</i> , which provides the board and participating partners staff support through Florida's Office of Early Learning.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- GEORGIA -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Georgia's Pre-K Program</u> - Georgia's Pre-K program was the first state-funded universal preschool program for 4 year-olds in the U.S. It is available in all 159 Georgia counties (100% of the state) and is funded through lottery revenues. The state increased dedicated funds for pre-K by 3.1% from FY19 to FY20.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 50%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and teen parents</p>
<b>State-Level Parent / Family Tax Credit</b>	30% of federal Child and Dependent Care Tax Credit (CDCTC), not refundable. § 48-7-29.10
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Georgia requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers.</p> <p><u>DECAL Scholars</u> - (stipend) \$250-\$1,250.</p>

	<u>AWARDS for Early Educators</u> - \$1,200-\$2500.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	* <u>Georgia Talk with me Baby</u> – Cross-sector professional development for health, nutrition, and early educators to support improved knowledge and skill in professional and family stimulation of children’s language development through a partnership of the State of Georgia, higher education, and health and education programs, among others. Georgia’s Talk With Me Baby relies on start-up and sustaining funding from the foundation, business, and public sectors.
<b>State-Level Employer Tax Credit</b>	<u>Employer’s Credit for Purchasing Childcare Property</u> - Employers who purchase qualified childcare property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. Any unused credit may be carried forward for three years and the credit is limited to 50% of the employer’s Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than childcare within 14 years after the property is placed in service. § 48-7-40.6.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- HAWAII -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Hawaii’s Executive Office on Early Learning Public Prekindergarten Program</u> - Serves 4 year-olds and gives priority to students considered “at risk” which includes low income families. The program is available in 100% of the state and is funded as part of the Hawaii Department of Education’s budget.  HB2543, passed in 2020, expands <u>Preschool Open Doors Program</u> eligibility to all children who are 3 to 4 years old and in the two-year window before entering kindergarten. The bill establishes a state goal of ensuring all children 3 or 4 years old are enrolled in a preschool/pre-K program by the year 2032.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 85%  <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, and, training  <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$200+  <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$300+  <u>Families Exempted from Co-Pay</u> – CPS cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	The tax credit is calculated as a percentage of qualifying expenses, not as a percentage of the federal credit. Refundable. <i>Schedule X, Tax Credits for Hawaii Residents</i>
<b>State-Funded Financial</b>	Scholarships provided for bachelors, associates and CDA.

<b>Assistance for Childcare Workforce</b>	Hawaii requires the same starting salary and salary schedule for teachers in state-funded pre-K programs as for teachers in K-12.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- IDAHO -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	Idaho does not have a state-funded preschool/pre-K program.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 49%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – Not Eligible</p> <p><u>Families Exempted from Co-Pay</u> – foster families</p>
<b>State-Level Parent / Family Tax Credit</b>	Idaho offers a dependent care tax deduction rather than a tax credit. If families are able to claim the federal Child and Dependent Care Tax Credit (CDCTC), they are allowed an Idaho tax deduction for the childcare expenses. § 63-3022D
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p><u>Idaho Stars Professional Development System Recognition</u> - \$100-\$600</p>

<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- ILLINOIS -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Illinois Preschool for All and Preschool for All Expansion</u> - includes pre-K for 3-4 year-olds with enrollment priority given to at-risk children. The program is available in 101 out of 120 counties (84% of the state) and funded through state funding as well as federal grants.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 51% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – None
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors, associates, and CDA. <u>Great Start</u> - \$300-\$3,900 Illinois has authorized collective bargaining among home-based childcare providers.
<b>State-Funded Financial Assistance for</b>	None identified at this time.

<b>Childcare Business Owners</b>	
<b>State-Level Employer Tax Credit</b>	<p><u>Employee Childcare Assistance Program Tax Credit</u> - The tax credit is 30% of the start-up costs expended by the corporate taxpayer to provide a childcare facility for the children of its employees; plus 5% of the annual amount paid by the corporate taxpayer in providing the childcare facility for the children of its employees. (IITA Section 210.5(a))</p> <p>Both parts of the credit are exempt from the sunset provisions of IITA Section 250. To receive the tax credit under IITA Section 210.5, a corporate taxpayer must either independently provide and operate a childcare facility for the children of its employees or join in a partnership with one or more other corporations to jointly provide and operate a childcare facility for the children of employees of the corporations in the partnership. § 100.2196</p> <p><u>Dependent Care Assistance Tax Credit</u> - For employers engaged in manufacturing. If a taxpayer has a Dependent Care Assistance Program Credit and credit(s) under any other provision of the Illinois Income Tax Act with a 5-year carryforward, the taxpayer may apply the Dependent Care Assistance Program Credit to tax otherwise due for a particular tax year, prior to applying the credit with the 5-year carryforward.</p> <p>In determining the amount of the credit claimed by the employer, the employer shall claim the same fair market value of dependent care assistance in the form of on-site day care facility services, as is determined by the employer for federal purposes under the terms of Cumulative Bulletin Notice 89-11, 1989-2 CB 449. For this purpose, direct costs are food, expendable materials and supplies, transportation, staff training, special or additional insurance directly attributable to the day care facility, periodic consulting or management fees directly related to the operation of the day care facility, and the cost of labor for personnel whose services relating to the facility are performed primarily on the premises of the day care facility. <i>Title 86, Section 100.2195</i></p>
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- INDIANA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	Indiana does not have a state-funded preschool/pre-K program.
<b>State Policies for Families Receiving</b>	<u>Income Eligibility (% SMI)</u> – 51%

<b>Federal Childcare Subsidies</b>	<p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – Not Eligible</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and Families with Income under 100% of Federal Poverty Guidelines</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Paid time provided in professional development and planning and/or preparation time (centers only, not home based).</p> <p><u>T.E.A.C.H. Early Childhood® Scholarship Program/Indiana Non-Formal CDA Project</u> - \$200-\$400</p>
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

– IOWA –

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Iowa Shared Visions</u> - Shared Visions provides preschool program services to 3-5 year-olds through grants to public schools, licensed non-profit childcare centers, other public non-profit agencies, and Head Start. The services available include part- or full-time and extended day programs. The program is available in 37 out of 99 counties (37% of the state). Funding for this program is contingent on annual legislative appropriations.</p> <p><u>Iowa Statewide Voluntary Preschool Program (SWVPP)</u> - SWVPP was created to increase access to preschool for 4 year-olds. As a result, all children aged 4 are eligible to attend. This program is available in 321 out of 327 school districts (98% of the state), and is part of the Iowa Department of Education’s budget.</p>
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	The state appropriations for pre-K increased 4.7% from FY19 to FY20.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 43%</p> <p><u>Qualifying Activities</u> – employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and Families w/ Income under 100% of Federal Poverty Guidelines</p>
<b>State-Level Parent / Family Tax Credit</b>	Taxpayers with a net income of less than \$45,000 are eligible to take one of these two credits: the <u>Child and Dependent Care Credit</u> OR the <u>Early Childhood Development Tax Credit</u> . Families are not eligible for the Child and Dependent Care Credit if they were unable to take it on their federal tax return. § 422.12C
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Iowa requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers.</p> <p><u>T.E.A.C.H</u> - \$150-\$1,000</p>
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**– KANSAS –**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Kansas Preschool-Aged At-Risk (PA AR)</u> - Benefits 4 year-old at-risk children. The governing statute was recently modified to include 3 year-old children with at least one of eight risk factors, however funding has not been available to enroll children under four. The program is available in 231 out of 286 school districts (81% of the state) and is funded through the Kansas State Department of Education and the Kansas Children’s Cabinet and Trust Fund. The Kansas Children’s Cabinet and Trust Fund oversees the expenditures from the Tobacco Master Settlement Agreement.
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	<p><u>Kansas Preschool Pilot</u> - Provides additional funding which allows districts with grants the flexibility to service 3 year-olds and children who are not considered at-risk. The program is available in 110 out of 286 school districts (38% of the state) and is funded by the Kansas State Department of Education and the Kansas Children’s Cabinet and Trust Fund.</p> <p>The Children’s Initiatives Fund (CIF) is the main source of funding for early learning programs in Kansas. Its total budget is just under \$52 million, with \$18 million of that total going toward block grant programs.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 57%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, and training</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p><u>Kansas Dependent Care Credit</u> - In tax year 2020, the Kansas dependent care credit was equal to 25% of the federal Child and Dependent Care Tax Credit (CDCTC). Not refundable. § 79-32,190</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p>Scholarships provided for associates and CDA, but not bachelors.</p> <p>Financial bonus available for continuing professional development.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p><u>Employer Childcare Tax Credit</u> - Any taxpayer that pays for or provides child day care services, including the provision of the service of locating such services, to its employees or that provides facilities and necessary equipment for child day care services shall be allowed a credit against the privilege or income tax imposed by articles 11 and 32 of chapter 79 of the Kansas Statutes Annotated as follows:</p> <p>(1) Thirty % of the total amount expended in the state during the taxable year by a taxpayer for child day care services purchased to provide care for the dependent children of the taxpayer's employees or for the provision of the service of locating such services for such children.</p> <p>(2) (A) in the taxable year in which a facility providing child day care services in the state for use primarily by the dependent children of the taxpayer's employees is established, 50% of the total amount expended during such year by a taxpayer in the establishment and operation of such facility.</p>

	The aggregate amount of credits claimed under this section for any fiscal year shall not exceed \$3 million. <i>§ 79-32,190</i>
<b>State/Local Land Use, Zoning, and Development Policies</b>	* <u>The Kansas City Area Transportation Authority (KCATA)</u> - Developed a childcare center at the Metro Center Transfer Point, its busiest transfer station, alongside an indoor transit center. The childcare center, a public-private partnership with the KCMC Child Development Corporation, a childcare operator, has resulted in high levels of ridership, helps fund other transit projects, and has helped revitalize the surrounding neighborhood.

**- KENTUCKY -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Kentucky Preschool Program</u> - The Preschool Program is available to 4 year-olds from low income families and 3-4 year-olds with disabilities. The program operates either half or full days and is available in all school districts (100% of the state). This program is part of the Kentucky Department of Education’s budget.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 55% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, and training <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$101-\$200 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$300+ <u>Families Exempted from Co-Pay</u> – CPS cases
<b>State-Level Parent / Family Tax Credit</b>	20% of federal Child and Dependent Care Tax Credit (CDCTC), not refundable. <i>§ 141.067</i>
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors, associates, and CDA. There is a salary schedule/benefits for centers but not home-based. Kentucky requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.

<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.
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**- LOUISIANA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>HB 601</u> – Allocates 50% of revenues from the NBA Pelicans license plate to the Early Childhood Education Fund. § 47:463.210</p> <p><u>SB 142</u> - Allocates 25% of sports betting revenues, up to 20 million, to the Louisiana Early Childhood Education Fund. § R.S. 4:199, R.S. 27:625(G), and 628 and R.S. 28:843</p> <p><u>HB 251</u> - Extends the Early Childhood Care &amp; Education Commission through 2022. The commission focuses on developing more specific plans to fund the commission’s plans to date and integrate family childcare into the state’s QRIS with additional public funding. § R.S. 18:114(B)(1), (E), and (F)</p> <p><u>Cecil J. Picard LA 4 Early Childhood Program (LA 4)</u> - This is the largest state funded pre-K program in Louisiana. It serves full day pre-K to low-income 4 year old children in public school, independent LEA charter schools, and tribal schools. Programs can also subcontract with Head Start, private agencies, and non-independent LEA charter schools. LA 4 is available in 61 out of 64 parishes (95% of the state).</p> <p><u>Louisiana 8(g) Student Enhancement Block Grant Program</u> - This program serves low-income 4 year-olds after the Model Early Childhood Program ended. If there is additional space after all low-income 4 year-olds are served, additional students considered developmentally unprepared may be served. The program is available in 64 out of 69 school districts (93% of the state). The Louisiana State Board of Elementary and Secondary Education builds the program and budget for the grant.</p> <p><u>Louisiana Nonpublic Schools Early Childhood Development Program (NSECD)</u> - NSECD provides full-day pre-K to 4 year-olds from low-income families in state-approved private preschools and childcare centers. It is available in 14 out of 64 parishes (22% of the state) and is state funded as well.</p> <p>State appropriations for pre-K increased 11.8% from FY19 to FY20.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 65%</p> <p><u>Qualifying Activities</u> – Employment, high school, GED, post-secondary education, English as a Second Language, and training</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$1-\$100</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>

<p><b>State-Level Parent / Family Tax Credit</b></p>	<p><u>Child Care Tax Credit</u> - Based on federal Child and Dependent Care Tax Credit (CDCTC). In addition to the childcare tax credit that is available to families based on the quality rating of programs they select, there is also a refundable credit linked to the federal CDCTC for families with income below \$25,000; nonrefundable credit for other families with a sliding scale based on income. § 47:297.4</p> <p><u>Child Care Expense Tax Credit</u> - A school readiness childcare expense tax credit is allowed for taxpayers who have a qualified dependent under the age of six who, during the year, attended a childcare facility that participates in the quality rating program and has earned at least two stars.</p> <p>The school readiness childcare expense credit is based on the quality rating of the childcare facility and is a percentage of the existing Louisiana childcare expense credit provided for by § R.S. 47:297.4. The school readiness childcare expense tax credit is in addition to the regular childcare expense credit.</p> <p>Parents with multiple qualifying children are allowed a credit for each child with the credits separately calculated. Also, if a child receives services from more than one child care facility during the year, the credit is calculated based on the facility with the highest quality rating.</p> <p>The school readiness child care expense tax credit is refundable for taxpayers whose federal adjusted gross income is \$25,000 or less. Taxpayers whose federal adjusted gross income is greater than \$25,000 may apply the credit to their tax liability and if the credit is more than the taxpayer’s liability, the remaining credit can be carried forward and applied to later tax years. Excess credits can be carried forward for up to five years. § 47:6104</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p><u>Tax Credit for Child Care Directors and Staff</u> - Childcare staff and directors can receive a refundable tax credit based on credentials and levels of education if they have worked in a center for at least six months that participates in the state quality rating system:</p> <p>Level Four Director or Level Four Staff \$3,000  Level Three Director or Level Three Staff \$2,500  Level Two Director or Level Two Staff \$2,000  Level One Director or Level One Staff \$1,500</p> <p>The credits are adjusted annually for each calendar year by the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U), as prepared by the United States Department of Labor, Bureau of Labor Statistics, as determined by the secretary of the Department of Revenue on December first of the preceding calendar year. § 47:6106</p> <p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Financial bonus available for continuing professional development.</p>
<p><b>State-Funded Financial Assistance for</b></p>	<p><u>Child Care Provider Tax Credit</u> -There is a refundable tax credit against any Louisiana individual or corporation income tax or corporation franchise tax for a childcare provider. The tax credit is the amount based upon the average monthly number of children who either participate in the Childcare Assistance Program, or who are foster children in the custody of the Department of</p>

<p><b>Childcare Business Owners</b></p>	<p>Children and Family Services and are attending a childcare facility or facilities operated by the childcare provider, multiplied by an amount which is based upon the quality rating of each childcare facility. <i>§ 47:6105</i></p> <p><u>Tax Credit for Child Care Directors and Staff</u> - Childcare staff and directors can receive a refundable tax credit based on credentials and levels of education if they have worked in a center for at least six months that participates in the state quality rating system:</p> <p>Level Four Director or Level Four Staff \$3,000  Level Three Director or Level Three Staff \$2,500  Level Two Director or Level Two Staff \$2,000  Level One Director or Level One Staff \$1,500</p> <p>The credits are adjusted annually for each calendar year by the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U), as prepared by the United States Department of Labor, Bureau of Labor Statistics, as determined by the secretary of the Department of Revenue on December first of the preceding calendar year. <i>§ 47:6106</i></p> <p>Louisiana also exempts from its licensing requirements childcare centers in schools, family childcare, and in-home providers. However, this exemption does not endanger children who receive services (inspected twice annually, one announced and one unannounced, in the home/residence where care is being provided).</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p><u>Tax Credit for Business-Supported Child Care</u> - Businesses that support quality childcare are eligible for a refundable tax credit based on the quality rating of the center. Eligible support includes:</p> <ul style="list-style-type: none"> <li>● Expenses to construct, renovate, expand, or repair an eligible childcare center, purchase equipment for a center, maintain or operate a center, not to exceed \$50,000 in expenses per tax year;</li> <li>● Payments made to an eligible childcare facility for childcare services to support employees, not to exceed \$5,000 per child per tax year; and/or</li> <li>● The purchase of childcare slots at eligible childcare facilities actually provided or reserved for children of employees, not to exceed \$50,000 per tax year.</li> <li>● The credit is for a percentage of eligible expenses based on the quality rating of the childcare facility. <i>§ 47:6107</i></li> </ul> <p><u>Tax credit for donations to resource and referral agencies</u> - Businesses may also receive a tax credit for donations made to childcare Resource and Referral Agencies. These are private agencies that contract with the Department of Education to provide information and services to parents and childcare providers. The credit is equal to the amount donated but cannot exceed \$5,000 per tax year. <i>§ 47:6107</i></p>
<p><b>State/Local Land Use, Zoning, and Development Policies</b></p>	<p>None identified at this time.</p>

- MAINE -

<p><b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b></p>	<p><u>Maine Public Preschool Program (PPP)</u> - Public Preschool Program is a program for 4 year-olds funded through the school funding formula. They are either located in public schools or in school administrative unit partners. These partners could include community-based childcare programs or Head Start agencies. PPP is available in 151 out of 194 eligible school administrative units (78% of the state).</p> <p>In July 2021, Maine passed an increase of \$4 million to support expansion of public preschool/pre-K programs.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 85%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300</p> <p><u>Families Exempted from Co-Pay</u> – None</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p><u>The Maine Childcare Tax Credit</u> - is equal to 25% of the federal Child and Dependent Care Tax Credit (CDCTC). The credit doubles if the expenses are related to a quality childcare provider with a Step 4 Quality Certificate. The credit is also refundable up to \$500. § 5218</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p>Scholarships provided for bachelors, associates, but not CDA.</p> <p>Paid time for centers for planning and/or prep but not professional development and there is a salary schedule/benefits for both centers and home-based. No paid time for professional development or planning/prep for home-based.</p> <p>Maine requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers.</p> <p><u>T.E.A.C.H. Early Childhood® Scholarship Program</u> - \$350-\$500.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p><u>The Quality Childcare Investment Credit</u> - For tax years beginning on or after January 1, 2016, the quality childcare investment credit is repealed except that unused credit amounts may be utilized to the fullest extent allowed by the carryforward provisions for the credit. 36 M.R.S. § 5219-Q(5)); LD 1019, PL 2015, c. 267, Pt. DD, § 30. §5219-Q</p>
<p><b>State/Local Land Use, Zoning, and</b></p>	<p>None identified at this time.</p>

<b>Development Policies</b>	
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**- MARYLAND -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Maryland Prekindergarten Program</u> - Through the Prekindergarten Expansion Act in 2014, Maryland created part-time or full-day public pre-K for 4 year-olds from low-income families. The program is funded through the school funding formula and based on the K-12 per pupil amount. The Maryland Prekindergarten Program is available in all school districts (100% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 65% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, and training <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – None
<b>State-Level Parent / Family Tax Credit</b>	Effective July 1, 2019, state legislation was enacted to increase the maximum income limit on eligibility for the state income tax for child and dependent care expenses, alter the phase-out of the tax credit, make the credit refundable, subject the credit to increased income limits (below \$75,000), and increase the tax credit each taxable year for income eligibility and refundability thresholds by a cost-of-living adjustment. § 10-716
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors and associates but not CDA. There is a salary schedule/benefits for both centers and home-based. Maryland requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers. <u>MD Childcare Credential Program</u> - \$200-\$1500. Maryland has authorized collective bargaining among home-based childcare providers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<u>Part C-II Credit for Childcare and Transportation Expenses</u> - An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work. A credit of up to \$900 is allowed for the first year of employment and up

	to \$900 for the second year. <i>Maryland Form MMW508CR Business Income Tax Credits</i>
<b>State/Local Land Use, Zoning, and Development Policies</b>	* <u>Shady Grove Metro Station</u> - Offers a childcare center that is a unique public-private partnership with eleven corporate sponsors.

**- MASSACHUSETTS -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Massachusetts Universal Pre-Kindergarten (UPK)</u> - This initiative serves children aged 2 years 9 months until kindergarten. In the 2019-2020 school year, the state issued \$5.6 million in grants through an open procurement. It is not based on family income, but programs must be willing to serve low-income families. UPK is available in 56 out of 351 towns/communities (16% of the state).</p> <p><u>Massachusetts Chapter 70</u> - This is the state's funding formula for K-12. Any money received must also be matched locally. All children are eligible and served in a public school setting with local districts setting eligibility priorities. available in 56 out of 315 towns/communities (69% of the state).</p> <p>*<u>Early Education and Care (EEC) Public-Private Trust Fund</u> - In 2020, Massachusetts established a new fund with \$500,000 to provide technical assistance to childcare providers in their reopening and recovery efforts (intended to support non-subsidized providers who make up 50% of all licensed programs in the state).</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 50%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$300+</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<b>State-Level Parent / Family Tax Credit</b>	<p>Massachusetts offers taxpayers two child and dependent care related tax deductions rather than a state tax credit. One is for childcare expenses and the other is for dependent care more generally (including for the elderly or a disabled family member). Families cannot take both deductions. <i>C.M.R. § 364.400(D)</i></p>
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Paid time for professional development and planning and/or prep time and there is a salary schedule/benefits - all for centers only. Home-based has paid planning and/or prep time and salary schedule/benefits but no paid professional development time.</p> <p>Massachusetts includes earmarks for salaries in public funding.</p>



	<p>Massachusetts’ HB 1304 established in 2021 an individual retirement account program for personal care attendants and family childcare providers.</p> <p>Massachusetts has also authorized collective bargaining among home-based childcare providers.</p>
<b>State–Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State–Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**– MICHIGAN –**

<b>Dedicated State Funding for Childcare (Includes State–Funded Preschool/Pre–K Programs)</b>	<p><u>Michigan Great Start Readiness Program (GSRP)</u> - Provides preschool for at-risk 4 year-olds. The program is available in 82 out of 83 counties (99% of the state) and is funded by the state. Michigan legislators recently included \$26 million in appropriations to expand access to childcare for families by increasing the income eligibility from 130% to 150% of Federal Poverty Level.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 39%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – Not Eligible</p> <p><u>Families Exempted from Co-Pay</u> – very low income families only</p>
<b>State–Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State–Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates and CDA.</p> <p>Centers provide paid time for professional development but not planning/prep, centers have salary schedules/benefits. Home-based has a salary schedule/benefits but no paid time for professional development, planning/prep.</p>

	<u>T.E.A.C.H. Early Childhood® Scholarship Program</u> - \$200-\$400
<b>State–Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State–Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	<u>Michigan Zoning Enabling Act</u> - Residential use of property; adult foster care facilities; family or group childcare homes. (1) Except as provided in subsection (2), each of the following is a residential use of property for the purposes of zoning and a permitted use in all residential zones and is not subject to a special use or conditional use permit or procedure different from those required for other dwellings of similar density in the same zone: (3) For a county or township, a family childcare home is a residential use of property for the purposes of zoning and a permitted use in all residential zones and is not subject to a special use or conditional use permit or procedure different from those required for other dwellings of similar density in the same zone. <i>Act of 110 of 2006 125.3206</i>

**– MINNESOTA –**

<b>Dedicated State Funding for Childcare (Includes State–Funded Preschool/Pre–K Programs)</b>	<p><u>Minnesota Head Start (HdSt)</u> - This program uses state appropriated funds to supplement Head Start and Early Head Start programs for children from birth until age five. HdSt is available in all counties/parishes (100% of the state).</p> <p><u>Minnesota Voluntary Prekindergarten and School Readiness Plus (VPK/SRP)</u> - These programs use general education funds to create a new grade level with each child being funded at 0.6 average daily membership. Between the two programs, more than 7,000 seats were allocated by giving priority to different districts and sites based on free- and reduced-price lunch. VPK and SRP serve children who are 4 years old by September 1 and operate a minimum of 350 hours per year. They are available in 109 out of 327 school districts (33%) and 19 out of 169 charter schools (11%).</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 47%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$1-\$100</p> <p><u>Families Exempted from Co-Pay</u> – Very low income families only</p>

<b>State-Level Parent / Family Tax Credit</b>	<u>Minnesota dependent care tax credit</u> - Equals the federal Child and Dependent Care Tax Credit (CDCTC) for which the family is eligible, subject to an income-based phaseout. While all filers with tax liability and qualifying expenses may claim the federal credit, the state credit is fully phased out for families with higher incomes. The Minnesota credit is refundable. § 290.067
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors, associates and CDA. Minnesota requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers. <u>R.E.E.T.A.I.N.</u> - (stipend) \$1,000-\$3500 <u>T.E.A.C.H. Early Childhood® Scholarship Program</u> - (bonus) \$250-\$300
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- MISSISSIPPI -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Mississippi Early Learning Collaborative (ELC)</u> - The ELC Act of 2013 provided funding (initially at \$3 million) to local communities to create, expand, or support quality early childhood education services called Early Learning Collaboratives. ELC's are available in 24 out of 144 school districts (17% of the state). The act was reauthorized in 2021 for \$16 million.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 85% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> - \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – None

<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Mississippi requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<p><u>Income tax credit for employers providing dependent care for employees</u> - A 50% income tax credit is granted to any employer providing dependent care for employees during the employee's work hours. Credit is applied to the net cost of any contract executed by the employer for another entity to provide dependent care; or, if the employer elects to provide dependent care itself, to expenses of dependent care staff, learning and recreational materials and equipment, and the construction and maintenance of a facility. Additional eligible expenses include net costs assumed by the employer which increase the quality, availability, and affordability of dependent care in the community used by employees during the employee's work hours. Credit may be carried forward for the five successive years if the amount allowable as credit exceeds income tax liability in a tax year; however, thereafter, if the amount allowable as a credit exceeds the tax liability, the amount of excess shall not be refundable or carried forward to any other taxable year.</p> <p>The facility must have an average daily enrollment for the taxable year of no less than six children who are twelve years of age or less and be licensed according to the regulations governing licensure of childcare facilities in Mississippi; or must serve five or fewer children and/or elderly adults in a family childcare/elder care home approved by the Department of Health for participation in the United States Department of Agriculture child and adult nutrition program; or must serve children aged 12-18 in either a community-based facility or a facility at the employment site; or must serve adult relatives of employees in either a community-based elder care facility or a facility at the employment site; or must serve children or adult dependents having physical, emotional or mental disabilities in either a community-based facility or a facility at the employment site. § 57-73-23</p> <p><u>The Pre-Kindergarten Credit</u> - Income tax credit for qualified pre-Kindergarten program support contributions. The pre-Kindergarten Credit is a state income tax credit for contributions made to qualified pre-Kindergarten programs during calendar year 2013 and thereafter. To qualify, contributions shall support the local match requirement of approved providers, lead partners, or collaborative as necessary and must be approved by the State Department of Education. The credit shall not exceed \$1,000,000 by any individual,</p>

	corporation or other entity during any calendar year. Any unused portion of the credit may be carried forward for three (3) years. The credit went into effect July 1, 2013. § 27-7-22.37
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- MISSOURI -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Missouri Preschool Program (MPP)</u> - Missouri Preschool Program serves 3-4 year-olds in mainly public schools, but also some private childcare centers and nonprofit agencies. The providers are required to work with parents on education, family visits, group connections, health and development screenings, and service referrals. MPP is available in 22 out of 516 public school districts (4% of the state) and is funded through the state's Tobacco Settlement Fund. To access these funds, providers must compete in a competitive grant process and priority is given to those servicing low-income families and children with special needs. The MPP contracts are available for a maximum of five years. The program is getting phased out because public schools cannot receive funding from both the Foundation Formula (see below) and MPP.</p> <p><u>Missouri Pre-K Foundation Formula (Pre-K FF)</u> - Funded through <i>HB1689</i>, funds are provided to school districts and charter schools with pre-K programs through the school foundation formula for 3-5 year-olds who are eligible for free or reduced meals. It is available in 165 out of 516 school districts (32%) and 14 out of 39 charter schools (36%).</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 85%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$101-\$200</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – not eligible</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and families with a special needs child.</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Missouri requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers.</p> <p>Bonus for financial relief - T.E.A.C.H. Early Childhood® Scholarship Program, \$150-450.</p>

<b>State–Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State–Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

– MONTANA –

<b>Dedicated State Funding for Childcare (Includes State–Funded Preschool/Pre–K Programs)</b>	Montana does not have a state-funded preschool/pre-K program.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 46%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$300+</p> <p><u>Families Exempted from Co-Pay</u> – CPS Cases</p>
<b>State–Level Parent / Family Tax Credit</b>	<p>Montana offers a dependent care expense deduction rather than a tax credit. Maximum expenses: \$2,400 in the case of one qualifying individual, \$3,600 in the case of two qualifying individuals, and \$4,800 in the case of three or more qualifying individuals. If the combined adjusted gross income of a family exceeds \$18,000 for the tax year during which the expenses are incurred, the amount of the dependent care expenses is reduced by one-half of the excess of the combined adjusted gross income over \$18,000. § 15-30-2131</p>
<b>State–Funded Financial Assistance for Childcare Workforce</b>	<p>Scholarships provided for bachelors, associates, and CDA.</p> <p>Montana requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers and includes earmarks for salaries in public funding.</p> <p><u>Professional Development Incentive Award</u> - \$500</p> <p><u>Certified Infant Toddler Caregiver Stipend</u> - \$1,600 over 18 months</p>

<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<p><u>Credit for Dependent Care Assistance and Referral Services</u> - (1) There is a credit against the taxes otherwise due under this chapter allowable to an employer for amounts paid or incurred during the tax year by the employer for dependent care assistance actually provided to or on behalf of an employee if the assistance is furnished by a registered or licensed day-care provider and pursuant to a program that meets the requirements of section 129(d)(2) through (6) of the Internal Revenue Code, 26 U.S.C. 129(d)(2) through (d)(6). (2)(2)(a) The amount of the credit allowed under subsection (1) is 25% of the amount paid or incurred by the employer during the tax year, but the credit may not exceed \$1,575 of day-care assistance actually provided to or on behalf of the employee. (b) For the purposes of this subsection, marital status must be determined under the rules of section 21(e)(3) and (4) of the Internal Revenue Code, 26 U.S.C. 21(e)(3) and (e)(4). (c) In the case of an onsite facility, the amount upon which the credit allowed under subsection (1) is based, with respect to any dependent, must be based upon utilization and the value of the services provided. (3) (a) In addition to the credit allowed under subsection (1), there is a credit against the taxes otherwise due under this chapter allowable to an employer for amounts paid or incurred during the tax year by the employer to provide information and referral services to assist employees of the employer employed within this state to obtain dependent care. (b) The amount of the credit allowed under subsection (3)(a) is equal to 25% of the amount paid or incurred in the tax year. § 15-31-131</p>
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- NEBRASKA -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>The Nebraska Early Childhood Education Program</u> - Combines existing pre-kindergarten programs funded through district, federal, or parent fees, including Head Start. Each project receives funding for up to one-half of the total operating budget of the project per year on a continuing basis, subject to availability of the funds. Available in 220 out of 246 school districts, or 89% of the state.</p> <p>State appropriations for pre-K increased 4.2% from FY19 to FY20.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 39%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p>

	<p><u>Monthly Co-Pay (family of three earning \$15,000 annually) – None</u></p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually) – Not Eligible</u></p> <p><u>Families Exempted from Co-Pay – CPS cases, foster families and, families with income under 100% of Federal Poverty Guidelines</u></p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p>Refundable for families with federal adjusted gross income of \$29,000 or less, whether or not the federal Child and Dependent Care Tax Credit (CDCTC) was limited by federal tax liability. The percentage of the federal CDCTC shall be 100% for families with income less than \$22,000, and the percentage is reduced by 10% for each \$1,000, or fraction above. § 77-2715.07(2)(b)</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p><u>The School Readiness Tax Credit Act</u> - Offers tiered financial incentives for early childhood professionals and childcare businesses that participate in Step Up to Quality, Nebraska's childcare quality improvement and rating system.</p> <p><u>Credit for Staff Member or Self-Employed Individual of an Eligible Program</u> - A refundable income tax credit is available to an individual who is employed with, or who is a self-employed individual providing childcare and early childhood education for, an eligible program for at least six months during the taxable year and are classified in the Nebraska Early Childhood Professional Record System. For tax year 2021, eligible staff members receive a tax credit equal to:</p> <ul style="list-style-type: none"> <li>A) \$540 for a Level One classification;</li> <li>B) \$810 for a Level Two classification;</li> <li>C) \$1,350 for a Level Three classification; and</li> <li>D) \$1,620 for a Level Four classification.</li> </ul> <p>Range: \$522-1,567 (2019); \$532-1,597 (2020) § 57-73-23</p> <p><u>ECE Workforce Credit</u> - (1) An eligible staff member may apply to the department to receive a refundable tax credit against the income tax imposed by the Nebraska Revenue Act of 1967. The amount of the credit shall be based on the eligible staff member's classification under subsection (4) of section 71-1962. as follows:</p> <p>Eligible Staff Member's Classification Tax Credit</p> <ul style="list-style-type: none"> <li>Level Four \$1,500</li> <li>Level Three \$1,250</li> <li>Level Two \$750</li> <li>Level One \$500</li> </ul> <p>For taxable years beginning or deemed to begin on or after January 1, 2018, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended, the Tax Commissioner shall adjust the credit amounts provided for in subsection (1) of this section by the percentage change in the Consumer Price Index for All Urban Consumers, as prepared by the United States Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending on August 31 of the year preceding the taxable year. § Section 77-3605</p> <p>Nebraska also offers a stipend through Childcare WAGES, ranging from \$300-3,500.</p>



<b>State-Funded Financial Assistance for Childcare Business Owners</b>	<p><u>The School Readiness Tax Credit Act</u> - Offers tiered financial incentives for early childhood professionals and childcare businesses that participate in Step Up to Quality, Nebraska's childcare quality improvement and rating system.</p> <p><u>Childcare Provider Tax Credit</u> - The credit is available for childcare providers who serve children whose care is paid for with a childcare subsidy. Amounts per child increase as the star rating increases. <i>Section 77-3604</i></p>
<b>State-Level Employer Tax Credit</b>	<p><u>Credit for an Eligible Program</u> - A nonrefundable income tax credit is available to individuals, partnerships, limited liability companies (LLCs), S corporations, corporations, or fiduciaries who own or operate an eligible childcare and education program that serves children who participate in the childcare subsidy program established in Neb. Rev. Stat. § 68-1202. The tax credit to the provider is equal to the average monthly number of children aged 5 or under who participate in the childcare subsidy program and who attend the provider's program, multiplied by a dollar amount based on the quality scale rating of the eligible program. Only Steps Three through Five qualify for the credit: A) \$250 for a Step Three program; B) \$500 for a Step Four program; and C) \$750 for a Step Five program.</p>
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- NEVADA -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Nevada Ready! State Pre-K</u> - Programs began in 2001 and operate in both community-based organizations and school districts. Pre-K enrollment preference is given to 4- and 5-year-olds that are not eligible to attend Kindergarten the following year. Funding is provided to existing school districts or programs rather than awarded through competitive grants. Available in 11 out of 17 local education authorities (65% of school districts in the state) and 3 community-based organizations.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 45%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – Not Eligible</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.

<b>State–Funded Financial Assistance for Childcare Workforce</b>	<p><u>The Children's Cabinet</u> - Workers and providers have access to support, financial assistance, start-up grants to help with fees, classroom materials, etc. Also provides education, training, and marketing.</p> <p><u>T.E.A.C.H. Early Childhood® Scholarship Program Early Childhood @ Nevada</u> - Provides college scholarships for home care providers, center teachers and aides, center directors, and early childhood facility owners working in a licensed facility at least 30 hours a week.</p>
<b>State–Funded Financial Assistance for Childcare Business Owners</b>	<p><u>The Children’s Cabinet Quality Rating and Improvement System (QRIS) Coaching Program</u> - Supports licensed childcare providers (centers only at this time) in achieving a higher QRIS star rating. Provides on-site assistance to enhance knowledge, skills, practices, or environment. The Children’s Cabinet QRIS Coaches are trained in the Infant/Toddler Environmental Rating Scale (ITERS) and the Early Childhood Environmental Rating Scale (ECERS).</p>
<b>State–Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**– NEW HAMPSHIRE –**

<b>Dedicated State Funding for Childcare (Includes State–Funded Preschool/Pre–K Programs)</b>	New Hampshire does not have a state-funded pre-K program.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 52%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$301+</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<b>State–Level Parent / Family Tax Credit</b>	None identified at this time.

<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- NEW JERSEY -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>New Jersey Preschool Expansion Program (Former Abbott Preschool Programs)</u> - The largest and most intensive of New Jersey's three preschool programs operates in 118 of the states poorest school districts. It is funded by the NJ Department of Education to provide full-day preschool to all 3- and 4-year-old who lives in these districts and choose to enroll. Private childcare centers or Head Start programs may also participate. Available in 118 out of 591 school districts (20% of the state).</p> <p><u>New Jersey Former Non-Abbott Early Childhood Program Aid (ECPA)</u> - This program operates in districts where 20-40% of children meet criteria for free or reduced lunch. Available in 53 out of 591 school districts (9% of the state).</p> <p><u>New Jersey Former Early Launch to Learning Initiative (ELLI)</u> - This program was established in 2004 as part of an effort to expand access to high-quality pre-K education to all 4-year-old in low-income households across the state. Available in 9 out of 591 school districts (2% of the state).</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 44%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and families with income under 100% of Federal Poverty Guidelines</p>

<b>State-Level Parent / Family Tax Credit</b>	For families with New Jersey taxable income of \$60,000 or less, a 2018 law provides a dependent care tax credit as a percentage of the federal Child and Dependent Care Tax Credit (CDCTC). § 54A:4-17
<b>State-Funded Financial Assistance for Childcare Workforce</b>	New Jersey offers expanded scholarship programs to help early educators earn bachelor's degrees. New Jersey requires the same starting salary and salary schedule for teachers in state-funded pre-K programs as for teachers in K-12. New Jersey has authorized collective bargaining among home-based childcare providers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- NEW MEXICO -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>New Mexico PreK (4s) and NM Early PreK (3s)</u> - Available in 76 out of 89 school districts (85% of the state). A constitutional amendment passed allowing the state to tap into its now \$22 billion Land Grant Permanent Fund to create an annual revenue stream for prekindergarten and K-12 programs. <u>Established the Early Childhood Trust Fund</u> - Beginning with a \$320 million general fund appropriation, which will be sustained through ongoing investments to support early childhood programming beginning in FY2022. NM H 83 creates the Early Childhood Education and Care Fund and the Early Childhood Education and Care Program Fund, distributes certain revenue received by the state pursuant to the Oil and Gas Emergency School Tax Act to the Fund, distributes certain revenue received by the state pursuant to the federal Mineral Leasing Act to the Fund, and makes an appropriation.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 85% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education

	<p><u>Monthly Co-Pay (family of three earning \$15,000 annually) – \$1-\$100</u></p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually) – \$201-\$300</u></p> <p><u>Families Exempted from Co-Pay – CPS cases and foster families</u></p>
<b>State-Level Parent / Family Tax Credit</b>	The New Mexico dependent care tax credit is limited to taxpayers with income under \$31,160. The credit is refundable. § 7-2-18.1
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>200% increase in FY20 General Funds for higher education scholarships and wage supplements for early childhood workforce over FY19.</p> <p>New Mexico has authorized collective bargaining among home-based childcare providers.</p>
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<p><u>Employer Childcare Tax Credit</u> - Corporate-supported childcare; credits allowed. A. A taxpayer that pays for childcare services in New Mexico for dependent children of an employee of the taxpayer during the employee’s hours of employment may claim a credit against the corporate income tax imposed pursuant to the Corporate Income and Franchise Tax Act in an amount equal to 30% of the total expenses, net of any reimbursements, for childcare services incurred and paid by the taxpayer in the taxable year.</p> <p>B. A taxpayer that operates a childcare facility in New Mexico used primarily by the dependent children of the taxpayer’s employees may also claim a credit against the corporate income tax imposed pursuant to the Corporate Income and Franchise Tax Act in an amount equal to 30% of the net cost of operating the childcare facility for the taxable year. If two or more taxpayers share in the cost of operating a childcare facility primarily for the dependent children of the taxpayers’ employees, each taxpayer shall be allowed a credit in relation to the taxpayer’s share of the cost of operating the childcare facility. Each taxpayer’s share of the tax credit shall be determined by dividing the employer’s share of the net cost of operating the childcare facility by the number of children served and multiplying the result by the number of the taxpayer’s employees’ children served. The credit allowed pursuant to this subsection may be taken only if the childcare facility is operated under the authority of a license issued pursuant to the Public Health Act [Chapter 24, Article 1 NMSA 1978] and is operated without profit by the taxpayer. The term net cost means the cost of operating a childcare facility less any amounts collected as fees for use of the facility, any federal tax credits with respect to the facility or its operation and any other payment or reimbursement from any other source other than the credit provided by this section.</p>

	<p>C. The credit may not exceed \$30,000 in any taxable year. If the credit amount exceeds the corporate income tax liability, the excess may be carried forward for three consecutive years provided that in no event shall the annual credit amount exceed \$30,000.</p> <p>§ 7-2A-14</p>
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- NEW YORK -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Universal Prekindergarten Program (UPK)</u> - New York State began its UPK in 1998 with the goal of making pre-K available to all 4-year-olds in the state regardless of family income or other risk factors. In 2007, the Targeted Prekindergarten Program merged with UPK. Available in 484 out of 677 school districts (71% of the state).</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 54%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<b>State-Level Parent / Family Tax Credit</b>	<p>The NYS dependent care tax credit is a minimum of 20% of the federal Child and Dependent Care Tax Credit (CDCTC) or it may exceed the federal credit and be refundable. It is calculated based on the amount of NYS adjusted gross income, the number of qualifying persons, and the amount of qualified expenses paid. <i>Article 22, Part 1 § 606 (c)(1)</i></p>
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p><u>Early Care &amp; Management Training, Director’s Institute, and Workshops</u> - Provide no-cost training to both new and experienced childcare center directors across the state in all topics essential to running a safe, high quality program.</p> <p>New York has authorized collective bargaining among home-based childcare providers.</p>
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.

<p><b>State-Level Employer Tax Credit</b></p>	<p><u>Employer Childcare Tax Credit</u> - A taxpayer subject to tax under article nine-A, twenty-two, or thirty-three of this chapter shall be allowed a credit against such tax in an amount equal to the portion of the credit that is allowed to the taxpayer under section 45F of the internal revenue code that is attributable to (i) qualified childcare expenditures paid or incurred with respect to a qualified childcare facility with a situs in the state, and to (ii) qualified childcare resource and referral expenditures paid or incurred with respect to the taxpayer's employees working in the state. The credit allowable under this subdivision for any taxable year shall not exceed \$150,000. If the entity operating the qualified childcare facility is a partnership or a New York S corporation, then such cap shall be applied at the entity level, so the aggregate credit allowed to all the partners or shareholders of such entity in a taxable year does not exceed \$150,000. <i>Section 44</i></p>
<p><b>State/Local Land Use, Zoning, and Development Policies</b></p>	<p>None identified at this time.</p>
<p><b>Other State Policy Approaches</b></p>	<p>In New York State, at the end of 2018, the Governor announced a Child Care Availability Task Force to develop innovative solutions that will improve access to high-quality, affordable child care in New York. It represented all of the key stakeholders, including providers, advocates, business, unions, and government. New York, like many states, has an underfunded child care subsidy system with low provider payment rates. The task force was charged with addressing the shortcomings in the current system and examining child care affordability, the availability of care during nights and weekends, and potential legal changes that can be made to make it easier for parents to access care, among other issues. It will also make recommendations. The task force's final report can be found <a href="#">here</a>.</p>

**– NORTH CAROLINA –**

<p><b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b></p>	<p><u>North Carolina Pre-Kindergarten (NC Pre-K) Program</u> - Funded by state general appropriations and North Carolina Education Lottery receipts, federal funds, and a local contribution, with the majority of the funding coming from the state (at approximately \$154 million each year). It covers about 60% of the cost, leaving individual counties to cover the remaining 40%. The NC Pre-K program is available in all counties/parishes in the state.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 85%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$101-\$200</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300</p>

	<u>Families Exempted from Co-Pay</u> – CPS cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	North Carolina articulates compensation standards for early educators. While these standards apply only to state-funded programs, the goal is to ensure childcare professionals earn a living wage and are adequately compensated.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**– NORTH DAKOTA –**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	Beginning in the 2017-2018 school year, North Dakota’s legislature provided Early Childhood Education Program Grants through a biennial appropriation to the state Department of Commerce. Available in 55 out of 178 school districts (31% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 85% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$101-\$200 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300 <u>Families Exempted from Co-Pay</u> – Teen parents



<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- OHIO -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	Ohio currently allocates \$73 million annually to the state's investment in high-quality preschool/pre-K.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 39% <u>Qualifying Activities</u> – Employment, job search, high school, GED <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$200 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$300 <u>Families Exempted from Co-Pay</u> – Foster families
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial</b>	Scholarships provided for bachelors, associates, and CDA.

<b>Assistance for Childcare Workforce</b>	Ohio has authorized collective bargaining among home-based childcare providers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- OKLAHOMA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Oklahoma Early Childhood Four-Year-Old Program</u> - Available in all public school districts (100% of the state). School districts receive funding for the Early Childhood Four-Year-Old Program through the state school finance formula. A per pupil rate, calculated using the age of the child and the length of the program day, is used to repay districts. Most programs now are full-day, with some schools collaborating with other agencies and programs to provide extended-day services. In addition, funding for 3-year-olds is provided by the Oklahoma Early Childhood Program (OECF) through a pass-through from the state to public school districts.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 61% <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and families with income under 100% of federal poverty guidelines
<b>State-Level Parent / Family Tax Credit</b>	Families have a choice between 20% of the federal Child and Dependent Care Tax Credit (CDCTC) or 5% of the federal child tax credit. Federal adjusted gross income cannot exceed \$100,000. Not refundable. § 710:50-15-71
<b>State-Funded Financial Assistance for</b>	<u>Scholars for Excellence in Child Care Program</u> - Awards scholarships to eligible child care professionals to complete coursework in the area of child development or early childhood education. This scholarship enables child care

<b>Childcare Workforce</b>	teachers/providers to improve their skills through education, and continue the availability of quality child care in local communities.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	<p><u>Reaching for the Stars</u> - A variety of initiatives have been implemented to improve the level of child care quality. The Reaching for the Stars program is a Quality Rating and Improvement System (QRIS) program that was instituted Feb. 1, 1998, to improve the quality of child care and provide child care providers with incentives. The program offers:</p> <p><u>Stars Advancement Coaching</u> - Provides assistance with programs to advance levels in the Reaching for the Stars Quality Rating and Improvement System (QRIS). Short or long term depending on the need.</p> <p><u>Single Issue Consultation</u> - Addresses a single specific issue, topic or concern. Short term requiring one or two episodes; recommendations may include provision of longer term training assistance.</p> <p><u>Ongoing Technical Assistance Coaching</u> - Structured, intentional on-site training assistance which supports the development of specific skills and practices. Longer term requiring three or more onsite episodes with duration dependent on successful progress toward meeting goals.</p>
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- OREGON -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Oregon Pre-Kindergarten (OPK)</u> - Established in 1987, OPK provides comprehensive child and family development services from 3- and 4-year-old children from low-income families through a state-federal partnership between the Oregon Department of Education and Head Start. OPK is funded by the state general fund, through a competitive grant process, to serve additional Head Start-eligible children. Available in all counties/parishes in the state (100% of the state).</p> <p><u>Oregon Preschool Promise</u> - Launched in 2016, Preschool Promise is a mixed-delivery program for children from families with income up to 200% of the federal poverty level. State funding is provided to Early Learning Hubs which can subcontract with public schools, childcare centers, family childcare homes, and others. Available in 9 out of 16 Early Learning Hub Regions (56% of the state).</p> <p>Passed \$1billion annual <u>Student Success Act</u> in 2021 with 20% (\$200 million) dedicated for early childhood education. Provides expansion of services in program year 2020-2021, coaches for Preschool Promise providers, and teacher and teacher assistant salary requirements for Oregon Pre-Kindergarten. During this expansion, Oregon Preschool Promise will more than double their</p>
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	funded slots from 1,482 to 3,890, while Oregon Pre-Kindergarten will convert slots from part-day to full-day.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 58%</p> <p><u>Qualifying Activities</u> – Employment and job search</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1 - 100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$301+</p> <p><u>Families Exempted from Co-Pay</u> – None</p>
<b>State-Level Parent / Family Tax Credit</b>	Oregon has a Working Family Household and Dependent Care Credit (WFHDC) that supports low- to moderate-income families to pay for the care of dependents while they're working or looking for work. § 315.264
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p><u>SPARK</u> - A statewide program that raises the quality of childcare across the state by connecting providers with coaching, professional development and resources. Many kinds of providers and educators participate in Spark, from large centers to in-home care, working with children from birth through school age.</p> <p>Oregon has also authorized collective bargaining among home-based childcare providers.</p>
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<p><u>Employer Sponsored Childcare</u> - A tax credit for employers for their costs incurred by providing dependent care assistance to employees. The credit is for 50% of their costs, not to exceed \$2,500 of dependent care assistance actually provided to the employee. <i>ORS 315.204</i></p> <p><u>Employer Childcare Tax Credit</u> - A tax credit for employers for their costs to acquire, construct, reconstruct, renovate, or otherwise improve real property so that the property may be used primarily as a dependent care facility. The credit is for \$2,500 multiplied by the number of full-time equivalent employees employed; 50% of the cost of the acquisition, construction, reconstruction, renovation or other improvement; or \$100,00—whichever is the least amount. <i>ORS 315.208</i></p> <p><u>Childcare Contribution Tax Credit</u> - A tax credit for certified contributions made to the Office of Childcare under ORS 329A.706 (Program implementation). The credit is for the full amount contributed. The Office of Childcare is then required to allocate tax credit certificates to taxpayers that make qualified contributions and distribute to childcare providers money from qualified contributions and other contributions (consistent with rules adopted by the Early Learning Council, also created under this statute). <i>ORS 315.213</i></p>

	The office is also required solicit other contributions in order to achieve specific and measurable goals for targeted communities and populations (to be set by the Early Learning Council), as well as strengthen the viability and improve the professional development of childcare providers. <i>ORS 329A.703</i>
<b>State/Local Land Use, Zoning, and Development Policies</b>	Portland allows homes in commercial and business zones to become school or childcare. A house that is located in a residential zone cannot be converted to a school or day care except by going through an extensive land use review process called a conditional use review. Public notice and a hearing are required. The zoning code doesn't allow any property in industrial zones to be used for schools or daycare.
<b>Other State Policy Approaches</b>	In 2019 the state of Oregon established a Task Force on Access to Quality Affordable Child Care. The task force developed recommendations to the legislative assembly to improve access to and the affordability of child care by soliciting input from underserved populations, researching how child care subsidies are currently being used (and how they have worked in the past), and studying state and federally funded child care and early learning programs. <u>The study was released in December 2020.</u>

**– PENNSYLVANIA –**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p>Pennsylvania operates four pre-K programs, all through the PA Department of Education.</p> <p><u>Pennsylvania Pre-K Counts (PAPKC)</u> - Enrolls the most children of the four state pre-K programs and is operated in most school districts (484 out of 500 school districts or 97% of the state). The program was launched in 2007 to expand access to high-quality pre-K for children up to two years before they are eligible for kindergarten. Children living in households with incomes up to 300% federal poverty level are eligible to enroll. A variety of programs—Head Start, child care, licensed private academic schools and public school districts—are eligible to apply for funding awarded through competitive grants every five years.</p> <p><u>Pennsylvania Kindergarten for Four-Year-Olds and School-Based Pre-K (K4 &amp; SBPK)</u> - Longest running of the four programs and financed through the state’s general fund. Funding is available to any district that chooses to offer the program. Available in 109 out of 500 school districts (22% of the state).</p> <p><u>Pennsylvania Head Start Supplemental Assistance Program (PAHSSAP)</u> - Second largest program and provides extended-day services for children attending federally funded Head Start programs and offers additional Head Start slots. Available in 126 out of 500 school districts (25% of the state).</p> <p><u>Pennsylvania Ready to Learn Block Grant (RTL)</u> Smallest program, launched in 2004, and funded through the school aid formula to assist targeted children in achieving proficiency. School districts can choose whether or not to offer this program. Available in 18 out of 500 school districts (4% of the state).</p>
<b>State Policies for Families Receiving</b>	<u>Income Eligibility (% SMI)</u> – 56%

<b>Federal Childcare Subsidies</b>	<p><u>Qualifying Activities</u> – Employment, job search, high school, GED, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300</p> <p><u>Families Exempted from Co-Pay</u> – None</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.
<b>Other State Policy Approaches</b>	<p><u>Pennsylvania Early Learning Investment Commission</u> – A group of business leaders appointed by the Governor who work to secure support for public investment in early learning through awareness, advocacy, and action with foundation-funded staffing. Pennsylvania’s Early Learning Investment Commission engages its business leader members as advocates for quality early learning and improved public sector investment in early learning. Pennsylvania’s Early Learning Investment Commission is supported by sustaining investments from the foundation community.</p>

**– RHODE ISLAND –**

<b>Dedicated State Funding for Childcare (Includes State-Funded)</b>	<p><u>Rhode Island State Pre-Kindergarten Program</u> - Available in 13 out of 39 communities (33% of the state). The Rhode Island Department of Education oversees the pre-K program, which is funded through the Rhode Island school funding formula, approved in 2010. Using a phased-in approach, \$10 million was invested over 10 years to expand access to high-quality pre-K, beginning</p>
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<b>Preschool/Pre-K Programs)</b>	with communities with a high proportion of children eligible for free or reduced-price lunch.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 46% <u>Qualifying Activities</u> – Employment, job search, high school, GED, and training <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – None <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – Families with income under 100% of Federal Poverty Guidelines
<b>State-Level Parent / Family Tax Credit</b>	25% of the federal Child and Dependent Care Tax Credit (CDCTC), not refundable. <i>Instructions for Filing RI-1040</i>
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Rhode Island requires the same starting salary and salary schedule for teachers in state-funded pre-K programs as for teachers in K-12.  Rhode Island has also authorized collective bargaining among home-based childcare providers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<u>Adult and Child Day Care Assistance and Development Tax Credit</u> - A tax credit for employers who pay for or provide licensed adult or child day care services to its employees, or that provides real property or dedicates rental space for licensed child day care services. The credit amount is 30% of the total amount expended by the employer for the above care, up to a maximum of \$30,000. § 44-47-1
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- SOUTH CAROLINA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded)</b>	* <u>Child Early Reading Development and Education Program (CERDEP)</u> and * <u>EIA Child Development Program (EIA 4K)</u> - Both programs are funded through public-private partnerships. Programs are delivered in public school settings via the South Carolina Department of Education’s Office of Early Learning and Literacy (OELL). CERDEP is co-administered in private
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<b>Preschool/Pre-K Programs)</b>	preschool/pre-K settings by South Carolina First Steps to School Readiness (First Steps), the state’s school readiness initiative. EIA 4K, initiated in 1984, is funded as part of a one-cent sales tax supporting public education projects. Available in all school districts in the state (100% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI) – 55%</u> <u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, and training <u>Monthly Co-Pay (family of three earning \$15,000 annually) – \$1-100</u> <u>Monthly Co-Pay (family of three earning \$30,000 annually) – \$101-\$101</u> <u>Families Exempted from Co-Pay</u> – CPS cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	7% of the federal Child and Dependent Care Tax Credit (CDCTC). The maximum credit allowed is \$210 for one child or \$420 for two or more children. § 12-6-3380
<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<u>Tax credit for employee childcare programs</u> – A tax credit for employers up to 50%, but not to exceed \$100,000, for their costs in establishing a childcare program for their employees’ children. Eligible costs include mortgage or lease payments, playground and classroom equipment, kitchen appliances, cooking equipment, real property, and donations to a nonprofit corporation for purposes of establishing a childcare program. The program and operation of the program must meet the licensing, registration, or certification standards prescribed by law. § 12-6-3440
<b>State/Local Land Use, Zoning, and Development Policies</b>	Established through legislative provision, a competitive grant fund to expand 4K service in underserved communities. A \$300,000 grant to the city of Spartanburg and \$600,000 to the town of Kershaw will fund renovations to transform underutilized, city-owned buildings into state-of-the-art childcare centers through public/private partnership.



- SOUTH DAKOTA -

<p><b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b></p>	<p>South Dakota currently does not offer a state-funded preschool/pre-K program.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 56%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, and training</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$None</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – foster families and families with income under 100% of federal poverty guidelines</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p><u>South Dakota Pathways to Professional Development</u> - A statewide project recognizing those who work in childcare, preschool/pre-K, Head Start, Out-of-School Time and other programs serving the needs of children and families and may include practitioners with entry-level education or advanced degrees.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State/Local Land Use, Zoning, and Development Policies</b></p>	<p>None identified at this time.</p>

- TENNESSEE -

<p><b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b></p>	<p><u>Tennessee Voluntary Pre-K</u> - Available in 138 out of 142 school districts (96% of the state). The Voluntary Pre-K (VPK) for Tennessee Act of 2005 provided for the use of \$25 million in excess lottery dollars in the 2005-06 school year to establish quality pre-kindergarten classrooms through a competitive grant process. In subsequent years (2006-07 and 2007-08), the approved budget included additional state funding to expand Tennessee's VPK program classes to reach at-risk pre-K children.</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 85%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, post-secondary education, and training</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$101-200</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$301+</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p><u>Tennessee Childcare Provider</u> - Training assists providers with meeting increased training requirements of 18 hours of training at no cost to providers.</p> <p><u>The Childcare WAGES® Program</u> - An education-based salary supplement program for childcare educators employed in DHS licensed childcare agencies. This program provides eligible educators an annual award, issued in two parts, based on specific qualifications that include working at least six months in the same childcare program with children birth to five years-old for at least 10 hours a week. An educator with six credit hours in early childhood education will receive a yearly supplement of \$400. The supplement rises with experience up to \$5,200 a year for eligible educators with a master’s degree.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State/Local Land Use, Zoning, and Development Policies</b></p>	<p>None identified at this time.</p>

- TEXAS -

<p><b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b></p>	<p><u>Texas Public School Prekindergarten</u> - In 1985, Texas began funding half-day prekindergarten for eligible 4-year-olds through the Texas Public School Prekindergarten program. Currently, districts with 15 or more eligible 4-year-olds are required to offer prekindergarten. Districts with 15 or more eligible 3-year-olds can also offer prekindergarten but are not required to do so. The Texas Education Agency (TEA) Early Childhood Education Division oversees the free program in school districts and open-enrollment charter schools, and school districts are permitted to subcontract with nonpublic preschools to serve eligible children. Available in 957 out of 1,217 school districts (79% of the state).</p>
<p><b>State Policies for Families Receiving Federal Childcare Subsidies</b></p>	<p><u>Income Eligibility (% SMI)</u> – 85%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<p><b>State-Level Parent / Family Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State-Funded Financial Assistance for Childcare Workforce</b></p>	<p>The Children’s Learning Institute at the University of Texas-Health Science Center, in partnership with the Texas Education Agency and Texas Workforce Commission, has developed a comprehensive professional development platform for early childhood educators that is free to all public school teachers, Head Start programs, families and childcare providers.</p>
<p><b>State-Funded Financial Assistance for Childcare Business Owners</b></p>	<p>None identified at this time.</p>
<p><b>State-Level Employer Tax Credit</b></p>	<p>None identified at this time.</p>
<p><b>State/Local Land Use, Zoning, and Development Policies</b></p>	<p>None identified at this time.</p>

- UTAH -

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	* <u>Utah School Readiness Program</u> – Initially established through an innovative financing partnership piloting a Social Impact Bond with national and private business partners, as well as United Way, county government, and a child advocacy and policy organization to expand a publicly financed preschool/pre-K program delivered by a network of public schools, a charter school, and community-based early learning programs. Funding available for qualifying students in 13 out of 41 school districts (32% of the state).
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 85% <u>Qualifying Activities</u> – Employment only (no education, no job search) <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – none <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200 <u>Families Exempted from Co-Pay</u> – very low-income families only
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided through T.E.A.C.H. Early Childhood® Scholarship Program for CDA and associates, but not bachelors. Financial bonus available for continuing professional development.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

- VERMONT -

<b>Dedicated State Funding for Childcare (Includes State-Funded)</b>	<u>Vermont Universal Prekindergarten Education (Act 166)</u> - Available in all school districts (100% of the state). In 2007, legislation expanded publicly funded prekindergarten education for 4-year-old children in public schools and
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<b>Preschool/Pre-K Programs)</b>	private programs and provided funding through the state’s Education Fund, similar to K–12, prorated based on a model of 10 hours per week.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 85% (state secured funding for Vermont’s childcare subsidy program in FY21 budget to allow income eligibility guidelines to be increased to align with 2020 FPL guidelines)</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – none</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$301+</p> <p><u>Families Exempted from Co-Pay</u> – CPS cases and foster families</p>
<b>State-Level Parent / Family Tax Credit</b>	<p>Families with federal adjusted gross income less than \$30,000 (or \$40,000 for married filing jointly) are eligible for a refundable credit. The credit is equal to 50% of the federal Child and Dependent Care Tax Credit (CDCTC) allowed to the taxpayer for the taxable year for child or dependent care services provided in Vermont in a registered home or licensed facility certified by the Agency of Human Services as meeting national accreditation or national credential standards endorsed by the Agency. A credit under this section shall be in lieu of any child and dependent care credit available under subsection 5822(d) of the Vermont code. § 5828c</p> <p>(d)(1) 24% of each of the credits allowed against the taxpayer's federal income tax for the taxable year as follows: credit for people who are elderly or permanently totally disabled, investment tax credit attributable to the Vermont-property portion of the investment, and childcare and dependent care credits. § 5822d</p>
<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and</b>	In some cases, local zoning bylaws may prohibit the expansion of existing childcare programs or the creation of new childcare programs. For example, some local zoning bylaws may not permit licensed family childcare programs

<b>Development Policies</b>	(which provide care in a residence for up to 12 children with two adults) to operate in a residential district.
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**– VIRGINIA –**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>Virginia Preschool Initiative (VPI)</u> - VPI is funded by state lottery revenues as well as a required local match. Funding for VPI is available to school divisions where there are at-risk 4-year-olds who are not served by Head Start. Available in 124 out of 135 school divisions (92% of the state).</p> <p><u>Virginia Promise Partnership</u> - Emerged out of the Back to Work Virginia Task Force, a post-pandemic rebuilding team made up of leaders from business, community organizations, philanthropy, and government. The task force announced an ambitious goal of ensuring access to affordable quality childcare for all Virginia families by 2030, and the Virginia Promise Partnership was launched to develop a more detailed agenda and roadmap.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 64%</p> <p><u>Qualifying Activities</u> – Employment, high school, GED, English as a Second Language, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$101-\$200</p> <p><u>Families Exempted from Co-Pay</u> – none</p>
<b>State-Level Parent / Family Tax Credit</b>	Virginia offers a tax deduction, rather than a credit, which is allowed for dependent care expenses based on expenses claimed under the federal Child and Dependent Care Tax Credit (CDCTC). Families may only claim this deduction on their Virginia tax return if they were eligible to claim a credit for child and dependent care expenses on their federal return. § 58.1-322.03
<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	<u>Day-care Facility Investment Tax Credit</u> – A tax credit for employers in the amount of 25% of their costs incurred for planning, site preparation, construction, renovation, or acquisition of facilities to establish a child day-care facility to be used primarily by the children of their employees. The credit cannot exceed \$25,000. Multiple employers who partner to establish a child day-care facility for the children of their employees are each eligible for the credit related to their share of costs incurred. The facility must be operated

	under the authority of a license issued by the Commissioner of Social Services. § 58.1-439.4
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- WASHINGTON -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Early Childhood Education and Assistance Program (ECEAP)</u> - Available in 37 out of 39 counties (95% of the state). ECEAP funding comes from the state general fund, the Education Legacy Trust Account funded by estate taxes, and the “opportunity pathways account” financed by lottery proceeds. In 2010, the state legislature established the ECEAP as a statutory entitlement for all eligible children, not funded by Head Start, by the 2018-2019 school year– a deadline recently extended to 2022-2023.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 54% <u>Qualifying Activities</u> – Employment, job search, high school, GED, English as a Second Language, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$1-100 <u>Families Exempted from Co-Pay</u> – CPS cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	In 2021 (SB5237), Washington changed their early childhood system by funding health insurance for childcare professionals and increasing compensation, professional development opportunities and access to a substitute caregiver pool. <u>Childcare Aware of Washington Scholarships</u> - Increases the quality of childcare supporting professional development. Early learning professionals enrolled in Early Achievers are eligible for our Bachelor’s Degree Pathways Scholarship.  Washington has also authorized collective bargaining among home-based childcare providers.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	Secured \$7 million in capital investments for the Early Learning Facilities Fund and specific projects to enable high-quality early learning providers to expand, remodel, purchase, or construct early learning facilities and classrooms necessary to support state-funded early learning opportunities for low-income children.

<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	<u>Family ChildCare Home</u> - A family childcare home is permitted by right in any residence, with the exception of manufactured homes, per State requirements. A family childcare home must pass a fire inspection and be approved by the city where the home is located.
<b>Other State Policy Approaches</b>	Governor Jay Inslee of Washington State signed into law the Washington Childcare Access Now (CAN) Act. <sup>48</sup> The CAN Act is groundbreaking as a vision for state-level childcare reform because it simultaneously addresses childcare affordability, quality, and workforce compensation. The act establishes a childcare collaborative task force to develop a plan to make affordable, quality childcare, including an investment in the workforce, a reality for all Washington families. It brings together diverse stakeholders to help develop solutions.

**- WEST VIRGINIA -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>West Virginia Universal Pre-K</u> - West Virginia introduced public preschool in 1983 for 3- and 4-year-olds through the Public School Early Childhood Education program. In 2002, legislation passed that required pre-K to be available to all 4-year-olds by 2012. Today, West Virginia's Universal Pre-K System provides pre-K programs in all 55 counties in the state, serving 4-year-olds, as well as some 3-year-olds with special needs, and some kindergarten-eligible children if it is determined that kindergarten placement is not in the child's best interest. Public schools receive West Virginia Universal Pre-K funding directly, with half of all programs required to partner with child care centers, private pre-K, or Head Start agencies to meet demand. Available in 100% of the state.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 53% <u>Qualifying Activities</u> – Employment, job search, high school, GED, English as a Second Language, and adult basic education <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$101-\$200 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300 <u>Families Exempted from Co-Pay</u> – CPS cases and foster families
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	None identified at this time.



<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- WISCONSIN -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<u>Wisconsin Four-Year-Old Kindergarten (4K)</u> - Available in 406 out of 411 school districts (99% of the state). Funding for 4K is part of the overall school funding formula. For state aid purposes, 4K students are counted as 0.5 or 0.6 full time equivalent (FTE), depending on the services the schools provide. Districts receive .6 FTE if they offer an additional 87.5 hours of parent outreach.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<u>Income Eligibility (% SMI)</u> – 53% <u>Qualifying Activities</u> – Employment, job search, high school, GED, and training <u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – \$1-\$100 <u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$201-\$300 <u>Families Exempted from Co-Pay</u> – CPS cases, foster families, and teen parents
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<u>The REWARD Wisconsin Stipend Program</u> - A compensation and retention initiative for members of the early care and education workforce. Incremental yearly salary supplements are awarded to individuals based on their educational attainments and longevity in the field. This Scholarship Program sets up a partnership between the recipient, the sponsoring program, and T.E.A.C.H. Early Childhood® Scholarship Program. <u>T.E.A.C.H. Early Childhood® WISCONSIN</u> - Provides financial and other support to complete a series of credit-based courses in one of four scholarship models: Registry Credential, 3 to 8 credits, associates degree, or bachelors degree. Upon completing the required courses, the recipient receives higher compensation or a bonus.

<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- WYOMING -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	The state of Wyoming does not offer a state-funded preschool program.
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 55%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – none</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$1-\$100</p> <p><u>Families Exempted from Co-Pay</u> – Families w/ income under 100% of federal poverty guidelines</p>
<b>State-Level Parent / Family Tax Credit</b>	None identified at this time.
<b>State-Funded Financial Assistance for Childcare Workforce</b>	<p>*<u>WY Quality Counts</u> - Wyoming offers funding in the form of scholarships and grants. As a 100% state-funded program, WY Quality Counts’ resources are subject to availability of funds. Scholarships award each recipient up to \$1,000 or \$2,000 for college degree and CDA certificate programs. Each recipient may be awarded up to \$1,000 per semester for college degree programs or \$2,000 per CDA certificate program. Funds may be applied to allowable expenses only, including remedial classes, renewal certificates and second setting certificates. Scholarship funds, including costs of books, will be paid directly to the educational institution or CDA program provider. The lifetime maximum for scholarship funds is 150 credit hours. Upon completion of the program, recipients must continue to be employed in a Wyoming-license childcare program for a specified number of hours.</p>

<b>State-Funded Financial Assistance for Childcare Business Owners</b>	* <u>Wyoming Kids First</u> - Is a public-private partnership that invests \$700,000/year in early childhood development, implementation, and evaluation of policies that affect children, families, and the early childhood workforce. Wyoming Kids First simultaneously works at the local and state level to advance a comprehensive vision for Wyoming's youngest children.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.

**- WASHINGTON D.C. -**

<b>Dedicated State Funding for Childcare (Includes State-Funded Preschool/Pre-K Programs)</b>	<p><u>District of Columbia (DC) Early Childhood Education</u> - In 1972, DC became one of the first jurisdictions in the country to offer pre-K in public school settings. The program, operated by the District of Columbia Public Schools (DCPS), focuses solely on four-year-olds and is funded through the school-funding formula on a per-pupil basis. This is a free, universal program that is available in 100% of the District.</p> <p><u>Pre-K Enhancement and Expansion Amendment Act of 2008</u> - Washington D.C. began a significant additional investment in pre-K in 2008 through the Pre-K Enhancement and Expansion Amendment Act of 2008 (Pre-K Act). Funding for public pre-K programs is based on the Uniform Per Student Funding Formula, with spending per pupil adjusted through a series of weights for higher-cost grade levels and supplemental funding weights for students with particular needs.</p>
<b>State Policies for Families Receiving Federal Childcare Subsidies</b>	<p><u>Income Eligibility (% SMI)</u> – 55%</p> <p><u>Qualifying Activities</u> – Employment, job search, high school, GED, post-secondary education, training, and adult basic education</p> <p><u>Monthly Co-Pay (family of three earning \$15,000 annually)</u> – none</p> <p><u>Monthly Co-Pay (family of three earning \$30,000 annually)</u> – \$1-\$100</p> <p><u>Families Exempted from Co-Pay</u> – Families w/ income under 100% of federal poverty guidelines</p>
<b>State-Level Parent / Family Tax Credit</b>	<p><u>Child and Dependent Care Tax Credit (CDCTC)</u> at 32% of the federal credit, up to \$336 for one child and \$672 for two or more children. All D.C. taxpayers who qualify for the federal credit are automatically eligible. Non-refundable.</p> <p><u>Keep Child Care Affordable Tax Credit</u> - The credit is allowed for children who are younger than age 4 as of September 30 of the taxable year. The amount of the credit is the lesser of: (i) The total amount of all eligible child care expenses paid by the taxpayer in the taxable year OR the limit per eligible child, as set forth in (B), multiplied by the number of the taxpayer's eligible</p>

	children. (B)(i) For taxable years beginning on January 1, 2018, and January 1, 2019, the limit per eligible child shall be \$1,000. (ii) For each taxable year beginning after December 31, 2019, the limit per eligible child shall be increased annually pursuant to the cost-of-living adjustment (if the adjustment does not result in a multiple of \$5, it is rounded down to the next multiple of \$5). Refundable. § 47-1806.15
<b>State-Funded Financial Assistance for Childcare Workforce</b>	Scholarships provided for bachelors, associates, and CDA. Stipend/tax credit and financial bonuses are available. Washington D.C. requires the same starting salary and salary schedule for some, but not all, publicly funded pre-K teachers and includes earmarks for salaries in public funding.
<b>State-Funded Financial Assistance for Childcare Business Owners</b>	None identified at this time.
<b>State-Level Employer Tax Credit</b>	None identified at this time.
<b>State/Local Land Use, Zoning, and Development Policies</b>	None identified at this time.